135027

JPRS-EER-86-180

28 NOVEMBER 1986

East Europe Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS-EER-86-180

28 NOVEMBER 1986

EAST EUROPE REPORT

CONTENTS

ECONOMY

/9987

ECONOMY ALBANIA

DUPLICATE STREET NAMES, NUMBERS HAMPER MAIL DELIVERY

Tirana ZERI I POPULLIT in Albanian 13 Aug 86 p 3

[Article by Sokol Hoxha, deputy director general of Posts and Telecommunications: "Let Us Improve the Exchange of Information To Assist the Working People"]

[Text] Our cities grow and become more beautiful every day. This affirmation, which occurs often, embodies great economic, cultural and social problems. In the framework of ensuring the exchange of information among the citizens, among the citizens and the various social organizations and among the organizations themselves we would like to deal with a matter which appears to be small, but which is necessary for proper post and telecommunications of services in all cities of our country and especially for the larger ones.

In the post and telecommunications enterprises there are specified organisms and workers that deal with receiving, processing and distributing letters, telegrams, telephone calls and the press, in addition to some shortcomings of workers of this sector, this broad activity encounters considerable difficulties, because of incorrect addresses. The specified organs do not always treat this matter with proper seriousness in order to undertake a true scientific work for establishing some strict rules about the manner and writing of addresses, the direction of streets, the naming of squares, the numbers of buildings and so forth. Lacking a model for writing their addresses, if often happens that citizens not only do not follow such arrangements, but, paying attention to the above mentioned data, forget about writing what is more essential such as cities and sometimes also the name of the recipient. This can happen to anybody when dealing with many data, especially when letters are written by young and old people, people with different cultural and educational levels and with various professions.

This practice is not normal; therefore, it is necessary that this matter by taken into consideration seriously by the Ministry of Communal Economy and that the executive committees of the district people's councils and their dependent enterprises carry out studies that also have the future in mind and not confine themselves to momentary and superficial solutions. This matter has been discussed many times and special decrees have been issued by the Council of Ministers; however, we believe that we are not progressing properly in regard to this matter. In the meantime, the cities grow, the

population increases, new quarters are planned and built and new squares and streets are created which, often, not only are not named, but also are given the most unlikely names by chance which are not easily effaced from the memory of the people; moreover, sometimes, you see them written as addresses on envelopes. Here the lack of a repeated and visible display of suitable names of streets and squares has also its influence. It would not be acceptable, because of such shortcomings, to continue to use names such as Rruga d Dibres, e Kavajes, e Durresit or e Elbasanit [Diber, Kavaje, Durres and Elbasan streets] in Tirana City--streets which already have their proper names connected with important historical and social names or with events of our people. The present cultural level of our people not only is full capable of responding to these requirements, but also of having every day a quicker, more accurate and cultured service from the Posts and Telecommunications by increasing productivity in the process of distribution of letters and information of every category.

Another matter, which is directly connected with the rules for the formation of addresses is, first of all, the setting of strict regulations and criteria by the Institute of Studies and Design Number 1 in cooperation with the Office of Urban Design of the executive committees and the Ministry of Communal Economy for the placement of buildings. It is often observed that the same street buildings are placed in most different ways, parallel and oblique with it, a fact which makes it difficult to establish criteria and find names and put direction signs for streets and quarters. A determined, standard type of sign for streets and cities of the country has not been found yet; also a studied criterion for placing them is lacking. In regard to dwellings and office buildings, we must pay more attention to the good traditions of placing metal plates with precise numbers and must not leave this matter to spontaneity, writing with ink on walls and with portions [of letters] often without any meaning, adding the data mentioned above to the address. As a result, in Tirana, for example, Marcel Cachin Street, that crosses the 2nd and 9th quarters, has dwellings with the same numbers; there are no numbers on buildings in "Karl Gega" Street; in the "Ali Demi" Street there are buildings with the same numbers; and so forth.

In these conditions, the continuation of information and distribution of letters is made difficult, especially when cities grow continually, in particular Tirana which today has a population of about 300,000 people and is extending from the base of Dajti Mountain to the textile combine.

Both for Tirana and other cities of the country, we believe that the publication and sale of maps of cities by the responsible organs, including the names of the main streets, squares and centers, orienting landmarks and so forth, not only would help the post and telecommunications workers entrusted with this task, but it would also serve the citizens, because it often happens that even the residents of a city have to ask other people for directions.

Always for the sake of serving the exchange of information, it would be worthwhile for the above mentioned institutions to take measures to install mail boxes in every staircase of dwellings and office buildings in accordance

with regulations, with the names of all respective residents. As for any service, for these mail boxes, too, there will be some problems in the beginning, but they will be temporary, because in the end a tradition will be created, as it happens with any good and valuable thing. An example of this is the recent installation of telephone booths in some streets of Tirana; with few exceptions, these telephone booths are functioning properly; the people, especially youths, like them, take care of them and want to use them. The same thing will occur with the telephone booths at the staircases; thus, the mail and newspapers will be distributed quicker and properly and the mail distributors will not need to go up to the higher floors of the building.

The setting up of this regulation on addresses, maps of cities, telephone booths in buildings and so forth will make it possible for dwellers and workers to use and further increase their postal correspondence and limit their excessive activities. By adopting the measures which we mentioned, it would be in the interest of workers to gradually organize the exchange of correspondence between such institutions as hospitals, quarter polyclinics, the various enterprises of the communal sevices, schools and the university and, perhaps, the banks, savings and social security institutions for the continuation of the various standard models, for example, responses on medical analyses, the progress of pupils and students in schools, the payment of various compulsory obligations and so forth, so that every day more and more the citizens will be freed from movements which are necessary but without yield. A whole system, such as the Posts and Telecommunications will be placed in the service of this aim.

9150/12948
CSO: 2100/3

ECONOMY GERMAN DEMOCRATIC REPUBLIC

POLLUTION PROBLEMS, COSTS, PROSPECTS EXAMINED

Rotterdam NRC HANDELSBLAD (MENS EN BEDRIJF supplement) in Dutch 10 Sep 86 p 6

[Article by Peter Michielsen: "Knowest Thou the Land Where Leafless Trees Are Blooming?"]

[Text] In the year 1920, Lenin announced: "The records show that on sanatorium director General Vever's orders, a completely healthy spruce was felled in the sanatorium's park. I hereby decree that General Vever should be incarcerated for 1 month for violating Soviet property." His conclusion: "Humans treat humans no differently from the way they treat nature."

The same conclusion was reached in 1986 by the young East German poet Klaus-Peter Schwarz, who weaves the incident into a very beautiful, very long and still unpublished poem "Guerilla der Ideen". Environmental protection plays an important role in this poem even though Schwarz, highly principled as he is, is not so idealistic as to be blind to facts. He clearly sees environmental problems as more than acid rain and waste-dumping; it is proper in the GDR to put Nagasaki, Mururoa, Chernobyl, Soweto and Santiago de Chile on the same level and to name them in one breath as Schwarz does the poem "Guerilla of Ideas."

The struggle against environmental pollution in the GDR can still not be separated from ideology, the struggle against imperialism and capitalism, and disarmament problems. In his poem, Schwarz mentions the fish in the Saar river but not the fish in the Saale for a good reason: the latter river may have no fish at all as a result of pollution.

The GDR, together with Czechoslovakia and Poland, belongs in Europe's top group when it comes to environmental pollution, and just like those neighbor states, it doesn't like to admit the fact. Nevertheless, the GDR can pride itself on being the first East European state to acknowledge the dangers of environmental pollution. Even as far back as 1968, mention of environmental protection could be found in the constitution, and in 1971 the Ministry for environmental Protection was created. In 1973, the sum of 1.6 billion marks was spent on the environment.

But around the mid-70's both zest and interest faded; on the one hand because of budgetary problems, and on the other hand because it appeared

that the measures taken were insufficient. Environmental laws were insufficiently adhered to, and East Germany's environmental situation was much worse than expected. The government decided that, instead of focusing on the environment, it would shove the problem under the rug. The 1975 budget provided no special funding for the fight against and the prevention of pollution. The measures taken concentrated on these areas hardest hit, which were the districts of Halle, Leipzig, Karl-Marx-Stadt, Cottbus and Berlin. The 1976-1980 5-Year Plan no longer contained a concrete environmental program.

Lignite Coal

And that is where things stayed. The tendency to ignore the environment became even stronger when the Soviet Union decreased oil-shipments, and the GDR had to start increasing the use of the more polluting lignite coal. In 1980 the amount of lignite coal mined was 258 million tons, but in 1990 that amount is expected to reach 300 million tons. That means, in that one year 4 million tons of sulphur dioxide will be spewed into the atmosphere, and that in the meantime in the surrounding areas of the GDR's industrial centers half of all trees is already dead. Eighty percent of the electricity in the GDR is produced by lignite coal-fueled plants.

When it comes to air, water, and soil pollution, the GDR and its two neighboring countries are in the lead, but it is not solely their energy policy which is responsible for this situation. As in all East European countries, the GDR has to submit to the unassailable dogma of permanent economic growth. That growth is by definition more important than the unproductive and expensive care of the environment. Many good laws and regulations exist, but they are hardly applied, if at all. Potential production-hindering cleaning filters are mandatory, but when plan production quotas have to be met these filters are often removed. Financial sanctions for industries which pollute water and air don't mean much as long as the fines are paid from the industry's profits and not out of one's pocket. A factory which dumps poison in the river pays a fine of 150 marks per kg; for dumping heavy metals a fine of 13.60 marks per kg is charged; and for oils and lubricants only 5 marks per kg. "They'll dump anything in the river when it comes to meeting the production plan to get the bonus which follows," a Swedish expert said last year.

That has highly unconscionable consequences which the East German government certainly knows about, but does not like to admit. As everywhere else in East Europe, the existence of a problem is only acknowledged when the authorities think they have found a solution. In the early 70's, a U.N. report stated that 12 percent of the East German forests had died or were severely affected by acid rain. The East Berlin government called that report "a fabrication". Visible damage to the forests wasn't blamed on acid rain, but on "mistakes by the forestry department", because after all, measures could be taken there.

That is why the environment ministry in East Berlin can't come up with a single figure on the number of hectares of affected forest, or on the

number of square kilometers of biologically dead surface water. A functionary hides behind the argument that there are no international agreements on criteria, and biologically-dead is biologically-dead and is seldom subject to nuances of criteria. But, unfortunately, figures aren't readily available.

Dangers

In this situation it is still a wonder that consciousness about the dangers of environmental pollution increases, not so much because of the interest shown by Society for Nature and Environment, which was set up and controlled by the government and which still has only 50,000 members after having been in existence for many years, but rather because of private citizens who seek protection using the independent position of the church. The government in any case doesn't contribute to the latter. Indeed, in February 1985 the environment was officially forbidden as a discussion theme in schools.

If environmental problems are discussed at all, they are usually de-empasized and shoved under the rug, or they are blamed on the after-effects of the capitalistic means of production in the now distant past, or on the "wicked West"--where as is well known, the unimpeded striving for profit supercedes any environmental concern, where even care for the environment itself is big business. How serious the environmental problem is in the GDR is only shown in figures which come out of the GDR unofficially. And those figures don't dispute the seriousness of the problem.

A good part of East Germany's internal waterway is highly polluted, especially through poison-dumping and over-fertilization. The nitrogen and phosphorus levels of internal waters has increased by 500 to 1000 percent in the seventies alone. Fish from the Elbe river can no longer be eaten. The Elbe is a running sewer of ammonia, hevvy metals and hydrocarbons. In Dresden, much merriment arises whenever someone asks whether swimming in the river is allowed. In Maagdenburg, no Elbe water may be used for consumption, not even during a catastrophe.

The Saale is so polluted that during the severe winter of 1984-'85, the water had a temperature of 20 degrees in places. Rivers like the Unstrut and Pleise are biologically dead, and 7 types of fish are extinct while 26 have become endangered species. The Erfurt district has 2500 km of rivers, canals and streams. Twenty-one hundred km are so polluted that the water, even after treatment, can no longer be used for consumption. In the Rostock district, only 1 kilometer of the 1200 km-long waterway is clean.

Potable water is a problem in itself. The GDR is a country poor in water: there are only 880 cubic meters of water available per capita, and despite the existence of 190 reservoirs with a capacity of 1.4 billion cubic meters, there are water shortages in dry years. In the industrial centers the water has to be reused five times. Because of agricultural over-fertilization, the nitrate level of the water in many reservoirs is higher than the permitted 40 milligrams per liter.

Industry and agriculture are the biggest polluters, but househoods contribute to the problem too. Only three quarters of the households are connected to the sewage system; only half of those sewage systems are connected to a purification plant, and only a small number of those purification plants have technologically effective chemical and biological cleaning installations.

Menace

Conditions are much the same where air- and soil pollution are concerned. Lignite coal is the greatest air polluant, especially in the districts of Halle, Leipzig, Dresden, Karl-Marx-Stadt and Cottbus. During the past quarter century, the amount of sulphur-poor coal mined in Lausitz has almost doubled the total coal production. But now that the GDR has to rely more and more on its own coal production, the amount of sulphur-poor coal will go down again in favor of lignite coal mined in Halle and Leipzig, which contains three times as much sulphur. As early as the seventies, the amount of sulphur-dioxide belched out in the GDR was 37 tons per square km, a European record. That amount has presently been estimated to be one quarter higher. The pollution caused by smokestacks is especially concentrated in a relatively small area: Halle, Leipzig and Cottbus.

During the rebuilding of Dresden, which was leveled in 1945, the country's cultural heritage was preserved at enormous cost and with admirable attention paid to the minutest detail. The best artisans, architects and other experts were released from other jobs, however necessary they were at those other jobs, to help with this task. For the Semper Opera alone, a quarter of a billion marks was set aside; an amount for which 2500 houses could have been built in a country where there is still a large housing shortage.

But, when walking around between the Semper Opera, the Zwinger Museum and the "Kronen" gate, one sees how black these white sandstone buildings, built only a number of years ago, have become; just as black as the 100 or 200-year-old buildings which were spared in 1945. According to municipal experts the statues, rebuilt at great cost, will begin to crumble and pulverize within the forseeable future.

"Nobody in Dresden knows what he inhales", some say. A study done by East German scientists showed that in the heaviest polluted areas, if the emission of harmful material could be cut in half, the death rate would decrease by 4.5 percent, the average life expectancy would rise by 4 years, the number of patients suffering from heart and vascular diseases would decrease by 10 to 15 percent, and malignant lung disease by 25 percent.

The pollution of the soil is not only caused by over-fertilization, excessive use of pesticides, premature exhaustion of agricultural land and drainage for lignite mining, but also because of an enormous waste dumping problem. Three-quarters of the GDR's ground water must be considered lost, according to an East German scientist. Presently the GDR has to process 23 million cubic meters of waste yearly; in 1990 this will be as much as 30 million cubic meters. Moreover, the GDR earns hard currency by taking

in West Berlin's waste, and even processing chemical waste from the Netherlands.

Noise

Only 2 to 3 percent of urban waste and 18 percent of industrial waste is processed. The rest should be incinerated, but the GDR has only one refuse incinerator and doesn't want any additional ones because of air pollution. The result is: Most of the refuse ends up in legal and illegal dumps where it heavily contributes to the soil and ground water pollution, not to speak of scenic pollution.

Noise is another important environmental problem in the GDR. Almost half of all work-related illnesses are direct results of noise. Excessive noise affects the nervous system and leads to stomach and intestinal problems, nervousness, sleeplessness, headaches and heart and vascular diseases. According to official studies the noise level in 600,000 workplaces is above the legally permitted maximum of 85 decibels. In suburban areas there is also too much noise. A survey taken in East Berlin showed that 75 percent of the population complained about noise pollution, and in Dresden, the maximally permitted noise level was being exceeded at almost every one of 100 checkpoints in the city. Six million people, one third of the total population, has problems because of noise pollution.

When talking about this with responsible fuctionaries, one usually runs into a wall of fine-sounding theories. A doctor from the Robotron firm, a gigantic combine which manufactures electronic equipment in 19 independent plants and employs a workforce of 70,000, tells how he together with trade union representatives are able to force management to eliminate workplaces where the noise level is in excess of the legal 85 decibels. Of the 4500 working places in the Radeberg Robotron factory, there are only 68 considered hazardous! The man's efforts and honesty are not in doubt, but he creates the impression of being a Don Quixote, just like the functionary of the environment ministry who searched for the GDR Gesetzblatt [legal gazette], in order to prove that the punishment for pollution isn't very lenient at all.

Dogma

One can not escape the impression that the environment, despite the seriousness of the situation, will still be treated like a stepchild as long as the attention stays focused on economic growth. The environment ministry's functionary establishes that there are presently 300 inspectors employed to see that the rules are obeyed. But the main efforts of his ministry seem to be directed especially toward putting out small fires and designing beautiful plans for which managers, reared on the economic growth ideology and the unassailability of the plan, have little use. The dilemma is becoming increasingly difficult: On the one hand management of the environment is out of control, while on the other hand the economy must grow. It is a dilemma which they would like to ignore. How the environmental problem is approached in East Berlin is shown by the answer given by

Environment Minister Dr Hans Reichelt to a simple question asked by an East German journalist on what he thinks is the most important aspect of environmental protection.

The minister began his answer by establishing that "in the present internationally tense and extremely dangerous situation, the protection of the peace is the most important issue in any environmental protection policy." He optimistically and confidently declared that the party was deeply concerned about the environment; he then once again repeated that the "greatest threat to humanity" was posed by the arms race, which was stirred up by the most aggressive imperialist circles. He established that the arms race, fanned by NATO, "hinders the realization of projects badly needed for the protection of the environment," and he advanced the theory that "by taking steps toward disarmament, more funds would be available and appropriate conditions created for scientific-technical and economic cooperation to resolve the world-wide environmental problems."

In other words; Environmental problems are universal problems. They are not exclusively a concern of the GDR, which diminishes the GDR's responsibility. Environmental problems aren't being addressed because the funds are needed for missiles. This is in itself a clear message, but the question is whether future generations in the GDR will be happy with such a policy.

13092/9190
CSO: 3614/138

ECONOMIC TIES WITH HOLLAND DESCRIBED

Budapest FIGYELO in Hungarian No 40, 2 Oct 86 p 9

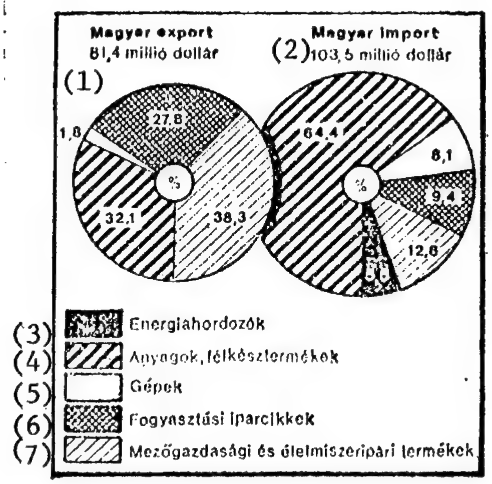
[Article by -rg- [Dr Gyorgy Varga, deputy editor in chief]: "Hungarian-Dutch Economic Relations. Commodity Structure Unsuitable"]

[Text] There has been a significant upsurge in trade between Hungary and Holland during the first eight months of this year: the 54.0 million dollars of Hungarian export and the 87.9 million dollars of Hungarian import exceed the commodity trade during the same period last year by, respectively, 23.8 and 57 percent. However, the trade turnover for the entire year is expected to be only slightly higher than last year. The Ministry of Foreign Trade estimates that the Hungarian enterprises' export will be only 2 or 3 percent higher than the 81.4 million dollars last year; and that their import will exceed by 5 or 6 percent last year's 103.6 million dollars.

Looking back over a period of several years, one can establish that commodity trade between Hungary and Holland is stagnating more or less, and that a trade deficit is developing, albeit not a significant one. The proportion of import paid for by export was 82.3 percent in 1983, 93.9 percent in 1984, and 78.3 percent in 1985.

It can be said of cooperation between Hungary and Holland, just as of Hungary's relations with many other advanced capitalist countries, that conversion of the good relations between the two governments at the highest level into mutual economic advantages has not succeeded for the time being. High-level visits and organized events are taking place regularly. There were visits to Holland by Deputy Premier Jozsef Marjai in June, and by Tamas Beck, chairman of the Hungarian Chamber of Commerce, last spring. Holland staged a one-week exhibition of Dutch technology in May 1985, and a similar event has been held just this week. (In return, the Hungarian Chamber of Commerce will be sponsoring Hungarian exhibitions in Amsterdam and Rotterdam next July.) The events of this week included a session of the Joint Hungarian-Dutch Committee for Bilateral Cooperation.

This spring the two countries' representatives initialed a Hungarian-Dutch investment agreement, and in June they signed a new agreement on double taxation. These agreements provide more favorable conditions for developing modern forms of cooperation, and they could contribute significantly toward budging bilateral relations from their present level.



Commodity Structure of Hungarian-Dutch Trade in 1985

Key:

1. Hungarian export $81,400,000
2. Hungarian import $103,500,000
3. Sources of energy
4. Materials, semifinished goods
5. Machinery
6. Industrial consumer goods
7. Farm and food products

Recent economic developments have highlighted the commodity structure as one of the most vulnerable points in bilateral relations. The import restrictions imposed in the wake of the Chernobyl disaster, and subsequently the weather in Hungary, have caused a slump in Hungarian exports of fruit, vegetables, and other farm and food products. And the decline of crude oil prices is hurting the competitiveness of energy-intensive Hungarian products such as chemicals, intermediates, PVC and PVC products, rubber sheets, tires, and so on.

The export of pharmaceuticals has also declined lately, despite the fact that Medimpex UK, Medimpex's wholly owned company in Britain, recently established an affiliate in Holland, known as Nedermed BV. But Neho BV, established by Hungarotex, can be termed successful. It is also representing the interests of other enterprises (of Modex and Tricotex, for example).

The structure of Hungarian import from Holland is not the kind one would logically expect in trade relations between a moderately developed socialist country and an advanced capitalist country. The proportion of machinery and equipment within Hungary's import is rather modest: barely more than 8 percent last year. But materials and semifinished products accounted for two-thirds. (The 5.5-percent share of sources of energy in 1985 can be attributed to one-time imports of bituminous coal, due to the disruptions in domestic supply last year, and is therefore not typical of other years.)

The vulnerable commodity structure of export and import means not only that the growth of mutual trade is slowing down or coming to a standstill, and the objectively existing unfavorable effects cannot be warded off, but also that modern forms of cooperation really cannot be based on such a structure. The cooperation relations between Hungary and Holland also reflects this.

The 65 cooperation agreements that are in force are impressive numerically, but the picture is not very promising if we consider that only eight of the agreements are truly coproduction agreements, while the others only call for licensing-related deliveries or custom processing. Slightly more than a third of the cooperation agreements on record have been concluded in light industry and the textile industry; about the same proportion, in agriculture and the food industry; and a fifth, in metallurgy and engineering. The commodity trade generated by the cooperation agreements in 1985 was 7.2 percent of Hungary's export and merely 1.9 percent of import. In the opinion of the Joint Hungarian-Dutch Committee for Bilateral Cooperation, opportunities for the expansion of cooperation exist mainly in energy management, petroleum and natural gas production, production of farm machinery, the chemical and pharmaceutical industries, electronics, computer hardware and software, food processing, biotechnology, and technologies for protecting the environment. Hungarian enterprises should seek subcontracting from Dutch companies, especially when these companies export for projects financed by the World Bank or under Holland's foreign aid program.

The most modern form of cooperation is equity participation in joint ventures in Hungary. The only example of this to date is the Agrovet Limited Liability Company, a seedgrowing and seed-contracting joint venture whose 3.5 million forints of capital stock is divided as follows: Royal Sluis, 49 percent; VEV [Seed-Contracting Enterprise], 30 percent; and AGKER [State Farm's Commercial Limited Liability Company], 21 percent.

A further task is to remove the remaining discriminatory trade restrictions, and to obtain Holland's compliance with the obligation that it has assumed toward Hungary under GATT. Holland now has 19 quotas for imports. These affect 3 or 4 percent of the Hungarian shipments. In many instances the value or quantitative restrictions matter only in principle. But in the case of a few commodities (matches, porcelain, and custom-processed textiles) the restrictions are causing hardships for Hungarian export.

Holland is known as a supporter of liberalized trade. For this very reason Hungary has suggested that Holland prove this by at least lifting in bilateral trade the restrictions whose removal lies within Holland's own competence and is only a matter of political will. We may regard as the first sign of Holland's response the fact that three quotas--for organic dyes, drawn glass, and crude aluminum--have been abolished as of the beginning of this year. Simultaneously, the remaining value quotas have been increased by 2 percent; and the quantitative quotas, by 3 percent.

1014
CSO: 2500/25

ECONOMY HUNGARY

BANK OFFICIAL PROPOSES INTRODUCTIONS OF STOCKS, SHARES

Budapest NEPSZAVA in Hungarian 23 Jul 86 p 4

[Article by Zsuzsa Gal: "Bonds a Success--Let the Shares and Stocks Come"]

[Text] In the last two months, roughly one billion forints worth of bonds were sold and purchased in the State Development Bank by enterprises, institutions and private individuals. Since the bonds were widely successful, the experts are also working on introducing other ways to aid the flow of money.

There is no special explanation for the increased liveliness of the bond market, only that more and more people are recognizing the advantages of issuing and buying them. Earlier, the enterprises, if they were unable to obtain sufficient bank loans, reconciled themselves to the lack of money, but today more and more of them are issuing bonds, that is, ask other enterprises and the population for loans. Zoltan Pacsi, a group chief at the State Development Bank, provides this information about for what purposes this is done:

"To mention just a few examples from among the most recent ones, the Tiszakecske city council is building a medical specialist's clinic, and the one in Esztergom, a secondary school using sums of 20 and 50 million forints borrowed from the population. The Tisza Chemical Combine issued bonds in the significant amount of 400 million forints, to improve plastic sheet production. There are about 120 kinds of bonds on the market worth approximately 7 billion forints. The stocks purchased earlier are sometimes sold by their owners, and thus there is a lively business on the so-called secondary market as well."

Unified Money Market Under Development

[Question] What is the explanation for the fact that private individuals are not permitted to buy certain bonds?

[Answer] In the beginning, when financial policymakers decided to authorize the issuing of bonds, they felt that the population's money should be collected and obtained only for projects benefiting the population. Communal bonds appeared, with 5.5-7 percent interest and since hardly any of

them were sold, the conclusion was just about reached that this was not a good way to obtain money. But this was not true, only the interest proved to be too low. The buyer is interested in the magnitude of the interest rather than the purpose of the investment. This was demonstrated immediately after stocks paying 11 percent interest were put on the market. Thus, today differentiation between popular and enterprise bonds can no longer be justified according to Zsigmond Jarai, department head at the State Development Bank, honored by the foreign press as the father of the Hungarian bond market. This appellation conjures up the image of an aged economist whose worries turned his hair gray. In fact, Zsigmond Jarai was hardly past thirty when in the early 1980's he began to deal intensively with questions of capital flow.

"On the other hand if an economic management organization buys bonds, it pays tax on interest income" interjects Zoltan Pacsi. "This is the reason that bonds purchased by enterprises pay a higher interest."

"In the meantime, those who issued [the bonds] discovered that they could obtain money for less, at 11 percent, so they prefer to issue popular bonds" Zsigmond Jarai continues his line of thought, "or if they still decide in favor of enterprise bonds, then the interest they set is more moderate. It does not exceed 11 percent, or does so just barely. That is, the two types of bonds are beginning to blend together which is an important step for the development of a unified money market."

One of the small steps taken was that the bank began to buy enterprise bonds for cash. This helped trading a lot because as long as the enterprises accepted the shares on consignment, they could not be sure that they could collect the money from the bonds any time and so they did not buy many. The guaranteed cashing in of the shares caused a boom not only in the secondary market but also in the desire to issue bonds.

"Doesn't cash purchase cost the bank too much?"

"We do have some of our money tied up in bonds on hand, but this is unavoidable if we are to have a real, lively secondary market" answers Zsigmond Jarai. "The population would not buy them either if they could sell the bonds only on consignment. But this way, when they can get cash for it at any time and they even receive the time-proportional interest for it, the demand grows rapidly and, accordingly, so does the issuing. So much so that at times we are no longer able to follow the trading. There are not enough of us to do it."

The obvious thing to do would be for the bond office to hire additional employees. If for no other reason than that it probably would be self-supporting even if it had to provide guarantees itself and the state budget, as the government's guarantee, would only be a safety net.

The present circumstances are somewhat irrational. The bank makes a 1 to 3 percent profit on issuing the bonds and 2 percent on their secondary trading, but the state budget rather than the bank bears the risk. But the risk that a bond issuer may become insolvent is an increasingly realistic one. If such

a thing did occur, the state rather than the bank would pay the capital and the interest even though it makes no profit either from the issuing or the trading of the bond.

Psychological Factors

"Why is this so? Should this system not be reformed?"

"We who have grown up with the State Development Bank and for whom this bank provided the environment for implementing reform ideas, have a dual disposition" admits Zsigmond Jarai. "On the one hand we support everything which makes the share market livelier and more realistic, but on the other hand, the bank and its profits are close to our hearts."

Well, yes, the initiative for this reform cannot be expected from the bank. But Zsigmond Jarai and his people did take the initiative in the sense that bond buyers could incur a small risk in the management of bond issuers, and thus variable interest bonds came to be traded. Those who purchased these last year will make out well this year. The issuer, the Pest County Industrial Goods Trading Enterprise, managed its affairs well. It is paying 12 percent, the highest interest rate on bonds held by the population. Prices on the secondary market are influenced not only by the facts and the numbers but also by psychological factors.

"There was a time when the name of one of our enterprises sounded so good that its bonds were sold at a 6 percent premium" Zoltan Pacsi informs us. "We were warning those who were inquiring about these bonds that they may lose money on them, but they replied 'that's all right, this is still what we want.' These are naturally only temporary fluctuations; the prices sooner or later return to where they belong."

Greater Yield, greater Risk

So far the bond market mobilized about 2 billion forints of enterprise money and 5 billion forints of the population's money, that is, it has proven that in both spheres there is plenty of hidden money not being used. Certain signs indicate that this money's owners would also take greater risks in the hope of higher yields. Zsigmond Jarai bases his additional ideas on these signs.

"There is no obstacle to our issuing other types of shares on a modest scale. It is possible, for example, that employees of an enterprise could buy investment shares to benefit their enterprise, and thereby increase their interest in the enterprise's profitable management. The bank could also issue securities and invest the money it obtains this way in various projects, with the owners of the notes sharing in the profits and risks."

"Isn't the greater risk an obstacle?"

"The more projects the money is invested in, the smaller the risk, since the owners of the securities receive the average of the gains. That is, the risk is spread out. In Austria, the Creditanstalt Bankverein, whose activities I was able to study on a scholarship, minimizes the risk by rotating the investments often, even daily. The owners of the shares do not even know where and

for what purpose their money is being used. They trust the bank which manages their savings. There are many forms which, under different circumstances, guide money which has been withdrawn, back into economic circulation.

That is the main goal: to attract money to where it can be used. Since profit is not always made where it is worthwhile and where at the given moment it is possible to invest, all forms of regrouping money--bonds, shares, stocks, and others--contribute to making the economy more lively.

8584/13046
CSO: 2500/464

ECONOMY HUNGARY

PARTICIPATION IN BUDAPEST INTERNATIONAL TRADE FAIR DECREASES

Budapest MAGYAR HIRLAP in Hungarian 3 Oct 86 p 9

[Interview with Laszlo Korosvolgyi, director general of HUNGEXPO, by Istvan Matko: "What Happened to the BNV?"; on the occasion of the fair's closure, place of interview not given]

[Text] The autumn BNV [Budapest International Fair] closed barely a week ago. There has been enough time to ponder the experience and weigh the voiced criticism. For this year's autumn fair definitely differed from past ones in that it presented more contradictory phenomena. Many large enterprises stayed away. Perhaps it would be an exaggeration to say that they were demonstrating by their absence, but the fact remains that firms which had provided major exhibits in the past were absent from the pavilions on this occasion.

Were they really absent? Is the fact of BNV's assuming the nature of a country fair a sign of transformation, or of a loss of status? Anyhow, where is the BNV heading? To the exhibitors it seems that the fair's popularity has declined, but visitors swamped also on this occasion the fair's somewhat shabby and crowded halls. I asked these questions of Laszlo Korosvolgyi, director general of HUNGEXPO.

[Answer] First of all, I would like to point out that the fair is undergoing transformation, but is not being phased out. What I saw out there in Kobanya on those bright September days convinces me that the BNV retains its appeal to the overwhelming majority of the enterprises, while some of them stayed away from the fair on this occasion, for one reason or another. Either because the fair did not dovetail with their marketing policy, or because they had spent their money for something else. In my opinion, we will soon see again the firms that were now absent, because the fair is a meeting place of trade, industry and customers. The services and opportunities that the fair offers are indispensable in the long run.

Official Optimism?

[Question] What you are saying reflects official optimism to some extent. After all, to me the fact that about 500 enterprises stayed away, and that there was a depressing absence of foreigners as compared with the spring BNV,

is more than just food for thought. Perhaps the autumn BNV in its present form has become obsolete and out of place. We called attention to the beginning of this process alreay last year (MAGYAR HIRLAP, 7 Oct 85). Now I see that this process has clearly unfolded.

[Answer] I question your statements, and I am not speaking out of official optimism. I am firmly convinced, on the basis of facts, that there is a need for the autumn BNV, as a manifestation of a market economy, respectively of the market's role. It brings to the marketplace the primary role of soliciting business and exchanging information. If we want to let supply and demand balance, to study the effective demand at close range, and to bring traders together with manufacturers and customers, then this fair is eminently suitable for that purpose. It is an entirely different matter that shortages are now typical of the situation in the marketplace, except in a few sectors. Consequently, marketing and the opportunities that the fair offers are relegated to the background. But this does not mean that things will remain like this forever. I am convinced that the role of fairs of this type will increase as the commodity market and market mechanisms spread. I agree that we are witnessing a transformation, and that we have to evaluate and analyze it, draw the necessary conclusions, and make decisions accordingly. Which, in my opinion, might mean the modernization of certain activities, but not that holding the fair has become questionable. I might add that there is a certain wait-and-see attitude on the part of the enterprises: as the managers of enterprise resources, the enterprise councils have gained a decisive say in how these resources are to be spent. We have to allow the enterprise councils time to become acquainted with their own interests in utilizing the fair as a marketing opportunity. This is what seems to be taking place, at least at the enterprises that stayed away. And it is likewise certain that different considerations apply to the spring BNV, and again different ones to the autumn one. So let us not compare the two fairs. Each one has a different role.

Allowing Businessmen to Work

[Question] Let us examine the question from a different perspective. Has HUNGEXPO been running a loss on the autumn BNV?

[Answer] No. We are a profitable enterprise, covering our own costs. Admittedly, our budget is becoming tighter and tighter, because the rates we charge exhibitors have not been raised for a long time. We did adjust the rates years ago, but then rolled them back to the original schedule. Speaking of which, allow me to point out something: we find that lately the fair has been encountering a peculiar kind of competition. I have in mind the special exhibitions held by individual firms. A domestic-trade or foreign-trade enterprise decides to hold an exhibition in some hotel, and this costs several times more per square meter of floorspace than what the BNV charges. By this I merely wish to call your attention to the fact that the rates the fair is charging are by no means prohibitive, especially not for domestic enterprises.

[Question] To my knowledge, domestic enterprises are paying far less per square meter of floorspace than the foreign ones. Do you think that such discrimination is fair?

[Answer] Not fair, but expedient. The Hungarian enterprises and those from other socialist countries get their floorspace below the actual cost; and our capitalist partners, slightly above it. But even so our rates are advantageous in comparison with what other international fairs are charging. We intend to leave the rates alone for the time being. I do not believe that the rates have any basic influence on the decisions of either the domestic or the foreign enterprises regarding participation. Namely, the foresighted businessmen and industrial experts concerned know very well that the fair is truly an excellent place to work out decisions regarding the future of their products.

[Question] A good place to work? I could cite numerous contrasting opinions to the effect that the autumn BNV, because it is beginning to resemble a public festival, does not really provide a good opportunity to conduct careful and circumspect business discussions, or even to examine the exhibits in comfort. Despite the higher admissions fees, the pavilions are jammed with browsers and visitors even on the days reserved for trade previews. Thus there is nothing to distinguish such days from the ones on which the fair is open to the general public.

[Answer] This is indeed true, and we are seeking a solution. But browsers, too, are welcome. So let them come. However, the criticism is right in that businessmen require a quieter environment. We will have to solve all this in the course of the BNV's purposeful transformation.

[Question] Speaking of complaints, in September there were again scenes of traffic congestion in Kobanya. Getting to the fair sorely tried one's patience. Tell me, is the BNV staff so helpless in resolving the traffic bottlenecks? Or do you regard this as a natural concomitant of the BNV?

[Answer] HUNGEXPO has exhausted almost completely its resources for this purpose. We are unable to build additional parking lots. It pains us to see buses forced to park in the dust, and the only road leading to the fair become jammed in no time. Furthermore, I must point out that HUNGEXPO is unable to adopt measures in the interest of more efficient transportation than what we are experiencing at present. The truth is that the Budapest Municipal Council is not giving us any additional aid specifically for this purpose. Our foreign guests are amazed that the BNV, considering its rank, remains unnoticed in Budapest and gets much less publicity than other fairs do. In other words, the officials concerned fail to take advantage of the opportunity that many more foreign specialists and tourists visit Budapest during a fair. Everywhere else in the world, you find the exact opposite. I do not wish to point a finger at anyone in this matter, but believe me that HUNGEXPO has exhausted all its possibilities under the present circumstances.

Liszt Competition, for Example

[Question] Finally, I would like to raise one more topic. Enterprises and industrial experts are of the opinion that the awarding of BNV prizes is rather monotonous. You are practically able to guess in advance who is in line to get the prizes. The times seem to be demanding something else. For

example, that the jury of domestic experts be streamlined and made international, by adding foreign members. This offers the added advantage that also the obviously qualified foreign experts would be helping to spread abroad the reputation of competitive Hungarian products. This principle seems to be working well for the international competitions in the performing arts. For the Liszt International Piano Competition, to mention merely one example that took place at the same time as the BNV. Why don't you invite also foreigners to sit on the impartial jury?

[Answer] What can I say? I whole-heartedly agree, but HUNGEXPO has no say in this. It is an MTESZ [Federation of Technical and Scientific Associations] monopoly. At HUNGEXPO's request, MTESZ organizes the judging and the impaneling of the jury. The Committee on Prizes has rejected the idea you have raised in your question.

[Question] And is this sufficient reason for HUNGEXPO to abandon for good the impaneling of an international jury?

[Answer] It has been so far. But I too believe that this idea will be worth reexamining in the course of the general modernization of the fair's activity.

1014
CSO: 2500/34

ECONOMY

HUNGARY

AD SOLICITS CONTRACT BIDS FOR 18 TAVERNA ESTABLISHMENTS

Budapest ESTI HIRLAP in Hungarian 26 Jul 86 p 9

[Text] The Taverna Inner City Hotel and Restaurant Enterprise solicits contracts bids for the following establishments for a period of five years:

No. 5251, Villanyi Tavern (2nd class), 5th district, 13 Gerloczy Street.

No. 5243, Work-place snack bar (5th District Central Police Station), 5th district, 11-13 Szalay Street.

No. 5359, Flower Espresso (2nd class), 5th district, 75 Bajcsy-Zsilinszky Road.

No. 5454, Labyrinth Wine Cellar (2nd class), 1st district, 9 Uri Street.

No. 5163, Lilac Acacia Restaurant (2nd class), 6th district, 30 Nagymezo Street.

No. 5343, Circle Espresso (2nd class), 6th district, 1 Szinyei-Merse Street.

No. 5341, Forward Espresso (2nd class), 6th district, 35 Bajcsy-Zsilinszky Road.

No. 5422, Helvetian Wine Cellar (3rd class), 6th district, 23B Eotvos Street.

No. 5210, Artist's Garden Espresso (presently the Kovidinka Saloon) (2nd class), 6th district, 66 Szondi Street.

No. 5418, Mustang Tavern (presently the Langos Saloon) (2nd class), 6th district, 41 Eotvos Street.

No. 5178, Kassa Beer-Garden (2nd class), 13th district, 14 Laszlo Rajk Street.

No. 5393, Jolly Snack Bar (2nd class), 13th district, 6 Ovezet Street.

No. 5455, Work-place snack bar (13th District Party Committee), 13 district, 67 Vaci Road.

No. 5314, Homemade Confectionary (3rd class), 13th district, 4 Csanady Street.

No. 5311, Snowdrop Pastry Shop (2nd class), 13th district, 129 Vaci Road.

No. 5432, Eszek Beer-Garden (2nd class), 13th district, 38 Gogol Street.

No. 5152, Lehel Restaurant (3rd class), 13th district, 17 Lehel Street.

No. 5190, Small Mug Beer-House (2nd class), 13th district, 31 Sandor Furst Street.

Information regarding these businesses will be available beginning on August 1, Monday through Friday from 8 a.m. to 2 p.m., at the office of the enterprise's contract section: Budapest, 5th district, 1 Iranyi Street.

The deadline for submission of applications is August 22.

Competitive bidding will take place on September 2 at 4:30 p.m. in the Festival Restaurant: Budapest, 6th district, 11 Nepkoztarsasag Road.

13201
CSO: 2500/4

MEASURES TO MODERNIZE, DEVELOP MINERAL, MINING INDUSTRY

Bucharest REVISTA ECONOMICA in Romanian No 31, 1 Aug 86 pp 8-9

[Article by Ieremia Dumitru, Ion Albeanu, Ion Ion, of the Ministry of Mines, Oil, and Geology, and Viorica Raducanu: "Higher Level of Mechanization"]

[Text] Starting with the objective need to assure from domestic extraction the largest amount of mineral resources necessary for the national economy, the mining industry has initiated and implemented a comprehensive range of measures. Given the specific nature of the activity, the modernization program for production and mines has been aimed primarily at the timely opening of new work fronts, greater mechanization, the introduction and expansion of high-efficiency advanced technologies, constant improvement in personnel qualification, and so on, aimed at strongly increasing production and labor productivity, while reducing material costs.

In order to increase coal production as much as possible, programs have been formulated to endow and mechanize difficult underground operations, and to provide open pit equipment, bucket excavators, and waste pile machinery that would rapidly increase labor productivity at each work site and mine. In this respect, one of the measures undertaken jointly with machine builders is aimed at bringing the reliability of equipment and expendable subassemblies used in open pits and underground, to the operational levels encountered throughout the world, so as to raise labor productivity and mining production. The experience and practice gained with specific equipment in open pits and underground has been able to correlate all the technical and qualitative indicators of the equipment under actual operating conditions, so as to establish the specifics of each work site.

Another area of activity is to build new electromagnetic devices for total recovery of metallic bodies in the coal extracted and prepared for burning in power plants, thus assuring better equipment operation by eliminating mechanical obstructions in crushers and burners.

At the new mining areas that are scheduled to be opened during the current five-year plan, and that will improve the exploitation of existing production capabilities as well as increase the production of lignite and brown coal, it

is necessary to start opening and preparation work in plenty of time, so as to comply with the starting schedules of all objectives. As the volume of coal uncovered in open pit mines increases--to reach about 70-72 percent of the entire lignite and brown coal production in 1990--it is acutely necessary to determine for each unit the optimum ratio of stripping at which open pit extraction is economical compared with underground operations. This is now one of the principal objectives in the program of measures implemented as part of the action to organize and modernize production processes, becoming part of the vast effort to assure the lignite needed to increase electric power production at better levels of quality and with the greatest economy. The new pit mines that will be brought into production will be endowed with highly efficient equipment and tooling, with a high degree of mechanization for production processes, that will meet at least the level of the model enterprise in this sub-branch, the Lupoaia open pit mine. At the same time, while providing appropriate equipment, maximum utilization must be made of existing tooling, particularly by reducing accidental down time, so that the utilization index of production capabilities--existing or new ones--will be at least 90 percent by 1990.

As we have shown therefore, a substantial increase will also occur in pitcoal production, primarily by increasing the degree of mechanization of production processes, and implicitly of labor productivity, as well as by starting the new production capabilities on, or even ahead of schedule. The facilities scheduled to be placed in operation during the 1986-1990 period include new zones and deposits brought into the production flow, as well as expansions of current mining areas into new perimeters with difficult operating conditions.

To achieve these objectives, it is not only imperative that the necessary working conditions be provided for mining operations, but also that the machine building ministries assure the specific equipment needed by the new production capabilities planned in the Valea Jiului coal basin, equipment whose design and construction must consider not only the actual underground working conditions, but also the performances achieved throughout the world. According to the indications provided by the secretary general of the party, Nicolae Ceausescu, during his April 1986 examination of a summary of the programs for organizing and modernizing production processes, the new production capabilities will have to be started ahead of planned schedules, in order to supply from domestic production the largest possible amount of the needed cokable pitcoal. To this end, the Ministry of the Machine Construction Industry has the task of rescheduling for the new dates, the fabrication and delivery of the mining equipment needed for investment projects and coal extraction.

Substantial production increases will also be obtained in the extraction and preparation of non-ferrous ores. Thus, by increasing the extraction of copper ore by more than 227 percent (especially by increasing the delivery of open pit ore with less than 0.4 percent copper), and that of complex ores by 41.6 percent, the necessary conditions will be created for assuring from domestic production a larger proportion of the major non-ferrous metals required by the national economy. To achieve these large production growths in the extraction and preparation of non-ferrous ores, programs of measures

stipulate a better organization of production and labor, a more judicious distribution of manpower to direct production and underground work, as well as the utilization of existing equipment at higher extensive and intensive indicators.

The broad measures for mechanization and for raising economic efficiency in the extraction industry, will also result in a substantial increase in labor productivity. During 1990, the physical productivity of labor in the extraction of pitcoal, lignite, and non-ferrous ores, will undergo a substantial growth, for which detailed measures have been provided in programs for combines and individual mining units. The higher level of mechanization, automation, and robotization of technical execution and preparation processes demands a corresponding improvement in the quality of workers. Today, the mining trade demands sound theoretical and practical training, to keep pace with the level of technological progress achieved in the mining industry. In this respect, the miner's training must make him capable of mastering and using the technology available in mining units. To assure such a degree of mastery in the mining trade, a large school network has been established, which includes 31 industrial high schools and 32 professional schools with a strong material basis, and which has an attendance of more than 36,000 students. Similarly, school-mines are now being established at every teaching unit, designed and built to reflect the demands of future jobs; the organization of these school-mines is coordinated by the appropriate ministry. After graduating from mining industrial high schools, and in order to complete their professional training, the young students are assigned to the best work teams so that they may obtain their production experience with maximum efficiency.

Worker training consistent with the major demands of production, together with a judicious use of these workers, are major objectives of the mining industry's personnel policy. In keeping with indications advanced by the higher leadership of the party and state, all mining units have conducted broad analyses of manpower utilization. These analyses have disclosed the following important significant points: the need for better correlation in the number of workers in productive sectors (cutting, preparation and opening of new work fronts, and so on); the possibility of redistributing personnel from auxiliary and service activities at the surface and underground; assuring the number of workers needed at work fronts and for opening new underground areas, in order to maintain existing production capabilities and create new ones; relieving production activities in mining units of those activities that are not directly associated with production processes.

Following the analyses performed to achieve the proposed objectives, each mining unit has drawn programs of concrete measures designed primarily to: expand high productivity and mechanized technologies to the extraction of coal and ores, as well as to the execution of underground preparation and opening projects; mechanize heavy and labor-intensive underground operations, especially for the transportation of materials and tooling, as well as at surface storage and distribution points; introduce automation and automatic controls

for underground stationary equipment (pumps, ventilators, compressors); systematize and improve general underground ventilation in order to reduce the personnel involved in controlling the atmosphere and directing air flow in mines; automate some technical phases or operations in the preparation of ores and coal; and so on.

These programs of measures will be complemented with the results of the actions being carried out in mining units to perfect organization and modernize production processes, aimed at improving manpower utilization

11,023
CSO: 2700/40

ECONOMY ROMANIA

MODERNIZATION OF PRODUCTION IN ELECTROTECHNICAL INDUSTRY

Bucharest REVISTA ECONOMICA in Romanian No 31, 1 Aug 86 pp 12-13

[Article by Dumitru Barascu, Minister of the Electrotechnical Industry, and Elena Pelinescu: "Adapting Manufacturing Technologies and Structures to Competitive Demands"]

[Text] The extensive action to organize and modernize production processes and enterprises, is extremely important for the Ministry of the Electrotechnical Industry and for its centrals and enterprises, as one of the major ways to fullfil its objectives for the current five-year plan:

Increase the exportation of high technology products that are competitive on the world market;

Increase the volume of goods produced by mobilizing existing domestic resources, in order to satisfy the growing needs of the economy for products in the ministry's specialty;

Strongly reduce total costs per 1000 lei of produced goods, and primarily material costs (the reduction being particularly high in units whose specific production benefits from less collaboration in manufacturing its final products), so that by the end of this five-year plan the net contribution of these enterprises will be three times that of 1985;

Increase the proportion of products with a high degree of technical complexity, that fully exploit not only the material potential, but also the creativity of workers in research and production; by 1990, about 96 percent of the products manufactured by enterprises will be of international level;

Increase efficiency in the utilization of fixed assets and meet the levels stipulated in regulations that establish production value as a function of fixed assets, whose aim is to improve the utilization index of fixed assets through more intensive exploitation, and deploy over a wide front the modernization of manufacturing technologies;

Increase labor productivity beyond the levels stipulated in the plan;

Reduce the importation of products in the branch's specialty by fully exploiting domestic resources and accelerating the introduction of products and materials necessary for the development of the national economy.

In order to achieve these major objectives, based on the guidelines and support of the special collectives formed by the ministry and by counties in production units, internal programs have been formulated and finalized, which include specific measures both in manufacturing (electronics, electrotechnical products, machine-tools, precision machinery, optics, textile machinery, household devices and appliances), and in each particular production process.

Particular attention was devoted to improvements in manufacturing technologies, some examples of which follow. In the production of machine-tools, the introduction and expansion of new technologies is intended to reduce to a minimum scraps and rejects, and to reduce the volume of production preparation work. In some machine-tool subassemblies, the substitution of welding for casting technologies alone will reduce the weight of parts by about 20 percent; this change follows the trends observed throughout the world (Russian specialists for instance, estimate that the substitution of welding for casting in major portions of machine-tools will reduce by 0.7 percent the metal utilization indicator, and reduce the weight of machines by 20 percent). At the same time, the introduction and expansion of heat treatments at sub 0^{o}C
oC
will achieve a savings of about 1.2 million lei/year by reducing rejects while increasing the long-term dimensional stability of the material. Similarly, the generalization of cooling treatments in synthetic media will reduce the need for TT 25 oil by 65 tons/year through the substitution of a synthetic cooling agent.

In the electronics industry, the compulsory introduction of testing at each production station by endowing enterprises with special stands, will reduce production costs and lead to manpower savings; the detection of defects during component testing costs 3 lei, compared to 30 lei for an assembled board, 300 lei for an assembled instrument, and 1000 lei if the testing is performed by the user of the electronic equipment.

Another major objective of production process modernization programs is the expansion of mechanization and automation, as well as the introduction of flexible lines, cells, manipulators, and industrial robots. Among other things, this will:

Provide greater flexibility in production capabilities and the adaptability of production units to domestic, and especially foreign demand;

Reduce the time during parts wait to be processed, from the present value, considered as 100 percent for conventional machine-tools, to about 65 percent for numerical control machines, and 20-35 percent for flexible lines and cells, which for the flexible lines and cells represents a 10 to 15-fold reduction in the residence time of the part compared to conventional machine-tool systems;

Reduce preparation and adjustment time by about 7-fold for flexible lines and cells compared to conventional machine-tools;

Reduce by 60 percent the manned intervention time per machine, by introducing flexible lines and cells, which ultimately will lead to manpower savings since the presence of a worker at the machine is needed for only 8-10 hours out of 20-24 hours of daily operation;

Reduce production costs by about 20 percent through the use of flexible lines and cells instead of conventional machine-tools, which for a machine load coefficient of at least 80-85 percent and three-shift operation, will recover the investments in these systems in 1.5 years.

The implementation of the new technologies will lead to greater labor productivity and a relative economy of personnel. At the same time it will require a requalification of the existing manpower through specific training dictated by the high technology of the new installations, the complexity of machine preparations for various operations, and so on. That is why the enterprise programs provide concrete measures for raising the professional level of the workers, their retraining and multiple qualification either through courses on the job or through special courses.

At the same time, measures for rational, scientific organization of work stations are also being considered to assure timely machine servicing and full capacity loading. A particular role in this respect will be played by the establishment of optimum fabrication batches, especially in mass and intermediate lot production (savings of 363.60 lei per motor have been obtained in this way at the Bucharest Electric Motor Enterprise).

In parallel with these actions, the programs provide measures that must be pursued to their completion, aimed at modernizing manufacturing structures so as to introduce products whose technical and operational parameters will match those of similar products on the international market, achieved with reduced consumptions; to redesign various products and technologies which do not meet current standards so as to modernize and make them profitable; and to assign priority in the plan to those products that are most efficient and especially in greatest demand abroad. Among cutting machine-tools for instance, those with programmed control will increase by 10 percent in 1990 compared to 1985, while comprehensive and specialized machines will increase by about 15 percent. At the same time, the proportion of universal machine-tools will drop from about 20 percent to approximately 10 percent. The proportion of special electric motors will increase by about 20 percent, while the production of general purpose motors will decrease significantly.

These few examples are far from exhausting the very broad range of areas in which actions are being taken and of the solutions that are being applied. The modernization activity has been and is being very well received by collectives in enterprises, by research units, and by the higher education institutes which participate in its fulfillment. The ministry is devoting its attention to the generalization of the most valuable measures in the programs

of model units and other enterprises, the creation of conditions to accelerate their implementation so as to obtain anticipated economic results as early as possible, the encouragement of mass creativity oriented toward the discovery of new additional solutions for improving labor productivity, the technical and quality level of products, and economic efficiency, so as to increase the competitiveness of exportations.

11,023
CSO: 2700/40

ECONOMY YUGOSLAVIA

NATIONAL BANK VICE GOVERNOR DRAKUL DISCUSSES INTEREST RATES

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 11-13 Oct 86 pp 2-3

[Interview with Dr Lazar Drakul, vice governor of the Yugoslav National Bank, by Gordana Buncic: "The Time of Cheap Money Has Passed"; date and place not given]

[Text] The policy of real interest rates, which was a part of the interrelated solutions envisaged by the Long-Range Economic Stabilization Program, was among other things supposed to curb spending by making money capital more expensive.

For several years now the results of this policy have been out of line with the commitments in many ways. Consumption has not been reduced, and even interest rates, in spite of the race with prices, have not managed to exceed inflation by even 1 percent. It is a question whether this will in fact be achieved if prices continue to rise at the rate they have up to now. Moreover, it is generally acknowledged that public assets have still not been sufficiently protected. That is why there are proposals now current that the principle of debts should be revalued, and nominal interest rates reduced. All of these dilemmas arise out of the issue of efficiency and the role of interest in our economic policy. This was the topic for our interview with Dr Lazar Drakul.

[Question] Interest rates are a hot topic today, and the polemical exchanges have been fierce. Some people proclaim them to be principally to blame for our economic difficulties, while others say that they have been the victim of deeper disturbances. What do you think about this?

[Answer] It seems that interest rates have become the demarcation line of our divisions: economic, ideological, political, and indeed even certain others.

For a long time we undervalued capital and conducted a policy of cheap capital. That brought about the economic paradox in which the factor of production--public capital, of which there was a shortage, was cheap, while labor, of which there was an abundance, was expensive, and the reason for this was not that the worker was making a good living, but because personal incomes were burdened by the high costs of social overhead along with all other costs. In that situation producers invested capital--domestic and foreign--without

any great influence from economic criteria. Quite a bit of capital was invested, but at the same time conditions were not created to hire the unemployed and utilize the natural and other conditions and involve all available factors in the process of reproduction. That philosophy of cheap capital runs through our enactments and through the arrangements that constitute the system. Public capital and its value were not sufficiently protected even in the SFRY Constitution. So, the problem of interest rates is not a new one. In the meantime economists have been insisting more and more on a review of value relations, i.e., that the prices of the factors of production be brought in line with their availability insofar as was possible. This was reflected in the Long-Range Economic Stabilization Program.

Why Financial Problems Have Not Been Cut Down to Half Their Size

All the necessary criteria for revision of value relations were furnished in that document. The price of public capital was supposed to be brought in line with its availability, and the diminished opportunity for borrowing abroad was to be taken into account. This means that it should have become more expensive. The second factor of production--current labor, was to be cheaper thanks to lower taxes and contributions and so on, and that burden of social overhead was to be transferred to other sectors. Social resources were to become more expensive in several ways--by the rise in the rates of depreciation, accumulation, and interest, and all of that was to be combined with a lowering of inflation, making it possible to introduce real rates of interest, that is, rates that would be higher than inflation.

The Long-Range Program...incorporated the elements and the criteria which through several partial equilibriums would have led to general economic equilibrium. Domestic prices, for example, were to be set according to world prices, which gradually would have reestablished equilibrium in trade with the rest of the world. There were plans for establishing greater equilibrium in the production structure, for more rapid development of energy and raw materials capacities than manufacturing capacities. In this way, but also through the other measures envisaged, equilibrium was supposed to be reestablished between the availability and the commitment of factors of production. All those disequilibriums converged toward general dynamic economic equilibrium.

A problem arose in implementing the stabilization program. Comprehensive realistic evaluation of the factors of production was given up, and the emphasis was placed on just two instruments--interest rates and the exchange rate of the dinar. The justification given for this was the influence of the IMF, but any very exhaustive analysis would show that this is not a real justification for backing off from putting real values on all factors of production. For example, in the case of fixed capital the movement went in the opposite direction. Depreciation rates dropped from 6.5 percent, which was the average in 1970, to 3.8 percent last year, and the period over which assets are amortized was lengthened from 15.4 to 26.3 years. There is probably no other case like this in the world. If a policy of real depreciation had been conducted to the same degree as the policy of real interest rates was conducted, the financial problems of the economy would now be half what they are. However, the effort was abandoned to place real values on other factors--energy, raw materials,

rail transportation, and rent. Only the real exchange rate and real interest rates were insisted on. The policy of high interest rates became a substitute for comprehensive implementation of the stabilization program.

Investments Optimized to Some Extent

[Question] As one of the instruments of economic policy, interest rates should have an influence on the purposes to which money is committed. To what extent and in what manner have they been performing that function up to now?

[Answer] The fact is that because of the high interest rates producers have been refraining from using credits even at the price of stagnation or curtailment of production. It is also evident that because of the high price of capital investments have been slowed down and, in my opinion, they have to some extent been optimized. From that standpoint the policy of high interest rates can be given good marks. Of course, it is difficult to distinguish how much this was brought about by the quantitative restrictions and shortage of capital and how much by the high rates of interest.

As for working capital, I think that their use has not been reduced, but rather credits on this basis have been growing at approximately the rate of inflation, with certain fluctuations. In our context, when about 85 percent of working capital comes from outside sources, there is no possibility of a dilemma as to whether credits are to be used or not. They will be used in any case, even when this means producers will incur a loss or when the interest cannot be paid.

Hundreds of billions of dinars in interest have gone unpaid, and in fact certain credits are not being repaid. This problem is also related to financial discipline, but basically it contains the structural problems of our economy and reflects its condition. Accordingly, the processes are going in several directions. On the one hand there is a certain optimization, on the other the high rate of interest is increasing costs and requiring more capital in order to do the same amount of business. Sometimes increased credit is used to pay off the high rates of interest.

The other part of the answer has to do with a partial explanation of the question: What is the motivation of work collectives to invest capital in expansion of production or to distribute it for consumption? Some of my research shows that because of the high rate of inflation and also within the context of those high rates of interest a situation has been brought about which does not make for optimization and the commitment of capital to expansion of the physical basis of operation.

The Order of Priorities and the Effects Are Turned Upside Down

If we look at the preferences of producers with respect to commitment of resources in the context of 10-percent inflation, which is what it was in 1977, and again in the context of 55-percent inflation in 1984, we come to the conclusion that the order of priorities and the effects of committing resources are altogether reversed. That is, whereas in 1977 the work organization

deciding to distribute 100 units of capital (the remainder, say, of income shown on the year-end statement of the previous year) in order to maximize the growth of net personal incomes faced the following situation: if it invested that capital in funds and time deposits at a rate of interest higher than inflation (11 percent in our example), it would have earned six units of net personal income. If it divided up the capital for personal incomes, and after all money set aside for all contributions and taxes, every worker put that money in his savings account, he could count on getting eight units of income from interest. This means that in 1977 the order of priorities was to invest in the expansion of the physical base of operation, which also presupposes a growth of personal incomes and employment, and then distribution into personal incomes and saving at real rates of interest, while the financial saving of the collective stood in third place as a motive.

In 1984 the situation had altered essentially. At 55-percent inflation, the order of priorities was as follows: first, distribute for personal incomes and save, and then save as a collective, and only in third place was further development as a collective and creation of conditions for hiring new workers and augmenting personal incomes. Those years were taken for the example because they stand at the beginning and end of this accounting system, and there is no need for adaptation. The higher the inflation, the more pronounced the deterioration. In any case, as is well known, interest rates did not reach the level of inflation in any year--the general discount rate at the end of 1984 was 47 percent, while at the beginning of 1985 it was 54 percent. In the context of high inflation an atmosphere was created in which it did not pay either to use someone else's resources or to set aside one's own capital, or to extend credit to someone else, and that does not offer promise for the future. Motivation for the conduct of economic activity simply underwent an essential degradation.

Lost Money

[Question] We have touched here upon the problem of how real interest rates have been. How do matters stand with the concept of real interest rates?

[Answer] Although this has not been set down as a rule anywhere, in our country an interest rate higher than the rate of inflation is considered to be real. I think that that conception has been oversimplified and does not correspond to the essence and content of our social physiognomy and socioeconomic system. The concept of the real rate of interest that has become established is one-sided and is based exclusively on protecting the resources of depositors.

In my opinion, the rate of interest has several functions, and the concept of its being real is closely bound up with the function it is supposed to have. Every interest rate that affords a larger growth of personal incomes (or maximization of some other criterion) than would have been achieved by investment in expansion and development of activity would be favorable, even though it might have been lower than the rate of inflation. One can speak in the same terms about the resources which the banks possess. For a long time now interest rates on the money market have been below the discount rate of the National

Bank and considerably below the rate of inflation. In all of this we dare not forget that that rate of interest, known as the market rate, is lower, indeed considerably lower, than the rate of inflation in the context of the extensive quantitative restrictions such as the limits on bank lendings, restrictions concerning investments, and so on. We should add to this that resources have been fragmented; there are a great many users in relative terms, and they possess many accounts, the settlement system is rather outdated, and so on. If all of that were cleared up, then the market rate of interest could be lower than what it is and considerably lower than the rate of inflation.

Even though what we call the market rate of interest has been considerably lower than inflation, producers have held back from using those credits; it can be said of the banks that on the average they have been excessively liquid, while producers have felt a shortage of resources. So, money is being held within banking channels, it has not been a function of production and trade and the creation of new value. That money is lost; that is the money that is most expensive for society. However, in certain cases and in certain transactions the rate of interest should in fact be considerably higehr than the rate of inflation in order to discourage the high use of credit and excessive conjuncture.

At the same time, savers and other depositors and all those who have money and are extending credit have wanted to preserve the value of their property and realize a certain income on that basis. Only an interest rate higher than inflation is real when applied to their accounts. If the rate of interest is lower than the rate of inflation, savers and other depositors and those who have money have more to gain by turning it into real values, into goods, than by saving or keeping it. But the banks and other economic entities which would use the money of others in the conduct of their business have to take into account how much the use of that money will cost and what revenues and income they will gain in that way. In the multitude of those interests, whose direction and intensity differ as a rule, there is the idea of the real rate of interest. At one end of the scale is the demand to preserve the value of resources and to earn money on them, while at the other there is the demand that interest rates bring in at least as much income as could be gained by using the resources in some other manner. There is a whole range of different practical arrangements between those two. If we take all this (and other things as well) into account, then I am more and more convinced that we and our economic system are better suited to have a market rate of interest which brings the relations of supply and demand for money into balance and makes it possible for money to perform its function of creating new value in an optimum manner. And that requires somewhat more complicated computations than we are making. Of course, interest rate policy is not the open-air produce market; the rate of interest must be estimated and planned, and, insofar as is possible, it has to be made as stable as possible both for lenders and also for borrowers.

The Most Drastic Example

[Question] One of the goals of the policy of high interest rates has been to protect the value of the domestic currency and social resources. What is happening?

[Answer] As for social resources, the fact is that they have lost value, and one of the reasons has been the low rates of interest. The most drastic example are the medium-term and short-term credits extended to individuals at low rates of interest. However, the new interest rate policy has been unable to change the relations created earlier, nor could it jeopardize in any way the economic security of individuals, so that once again it has not protected the resources loaned out earlier, but those now being used to extend credit to individuals are somewhat better protected.

If we look at the overall balance of transactions in which individuals are lending, and the economy is borrowing, the high interest rates have nevertheless meant that resources are being siphoned out of the economy into the private sector. This is also indicated by the figure that in 1985 the banks paid out nearly 500 billion dinars in interest to individuals, while they collected 57 billion from individuals. In practical terms for every dinar which the banks collected from individuals, they have had to pay out 9 dinars to individuals. And that in turn (and more on top of it) had to be collected from the economy.

Nor is this the only problem: Another is that this has meant that resources have flowed out of the economy, out of production, out of what constitutes supply, into consumption, into demand, and the gap between supply and demand and the imbalance in commodity-money relations has been increased many times over.

Savings Should Be Protected by Disinflation

[Question] What influence do interest rates have toward a growth of savings?

[Answer] In principle the higher the rate of interest, the larger the savings. In economic theory the propensity to save increases with the rise of the rates of interest. Under our particular conditions, things are not really as clear as one would suppose from the theoretical premises. This is best confirmed by figures from the beginning of 1980, that is, from the starting point of the more severe manifestation of our crisis: personal savings amounted to 300 billion dinars at that time, and at the end of 1985 they amounted to about 3,640 billion dinars. Savings have increased 11.1-fold (index number 1,214).

However, what has happened? Of that 3,340 billion 90 percent represents accrued interest and exchange rate differences, and the new saving from other revenues of the personal sector has amounted to only 330 billion. Or again, savings out of personal income increased to a considerable extent only during the rise of real personal incomes, and that happened last year. If we leave out 1985, a year in which real personal incomes rose, 98 percent of the growth of savings has resulted from accrued interest and exchange rate differences, and the rest has come from other personal income.

These figures, along with certain other findings, show that saving does not depend solely nor decisively on the rate of interest, but also depends on other factors, above all on whether personal incomes and the standard of living

as a whole are rising or falling and what has been the distribution of income (a larger spread of income encourages greater saving, while leveling acts as a disincentive). What seems to me indisputable is the rule that savings and other property should be preserved by a policy of economic stability and disinflation, not with high rates of interest and indexing.

[Question] In the context of high inflation is it possible, in your opinion, to conduct a policy of real interest rates, and to what extent does the high rate of inflation jeopardize that policy?

[Answer] I am an adherent of real valuation of all the factors of production. This also means real rates of interest, and by that I mean that interest rates should be higher than the rate of inflation. Where I differ from certain other advocates of real valuation (and real rates of interest) is my insistence on a comprehensive, not partial, policy of real valuation. The difference lies in the assessment as to the socioeconomic conditions under which it is possible to conduct a policy of real interest rates.

A Philosophy for Which There Is No Solution

The science of economics has taught us that all incomes have to be met out of the newly created value: wages, profit, and income from property or capital. It goes on to say that all particular profits have to be obtained out of total profits: profit in trade, financial profit, and entrepreneurial profit. In our country these categories have been set up differently, but the economic essence is almost the same. That is, financial profit (more or less the interest) may not be higher than the total profit, and in no case can it be greater than the newly created value!

If we check out these scientific truths, here is what is happening in our country. Last year Yugoslavia's economy employed on the average 25,890 billion dinars of assets and realized about 8,240 billion of newly created value (income was 6,416 billion dinars and interest on credit for working capital 1,827 billion). Accordingly, for every 100 units of assets employed the economy realized 32 units of newly created value.

The calculation was done with the average assets employed, that is, assets some of which were revalued during the year (fixed assets, inventories). If we omit those revaluations and reduce the computation to credits which are not revalued, we would get the following situation: If the average Yugoslav producer in 1985 used 100 units of credit, he would at best realize 46 units of newly created value. Personal incomes, contributions and taxes, accumulation, and interest have to be "crammed" into those 46 units. However, there is not room here even to cram the interest, which was about 80 units for every 100 units of credit used. In addition to the 100 units of credit, that producer of ours also had to use about 80 units of his own capital in order to pay the creditor a real interest of about 80 percent. And what has happened with other forms of income: with personal incomes of those who worked with the borrowed resources and resources of their own, with taxes and contributions, and what about accumulation? From what source were those incomes obtained? In our practice it is a question of raising prices and a progressive rise of

inflation. But even that has its economic and political limits. First of all, that rise of prices must be used to cover the higher costs. At the same time greater use must be made of borrowed resources, and higher amounts of interest must be paid. There is never any end to it, it is a vicious cycle. There is for all practical purposes no solution on the basis of that philosophy.

I think that this computation shows that the arguments which hold that the economy doesn't care whether inflation is 0 and the rate of interest 1 percent or the rate of inflation 100 and the interest rate 101 percent are untenable.... Let me also point out the following: The rate of the newly created value has been stable relative to assets employed. Regardless of the rate of inflation, over the last 10 years about 30 units of newly created value were realized for every 100 units of assets. The higher the rate of inflation, the smaller the opportunities to conduct a policy of real interest rates.

[Question] You are the vice governor of the National Bank of Yugoslavia. What kind of interest rate policy can be anticipated in the coming period?

[Answer] Up to the end of the year no very essential changes should be anticipated in interest rate policy. The drop of interest rates at midyear, along with other measures, have produced favorable results in slowing down the monthly rates of inflation, cutting them nearly in half. No more could have been expected of interest rate policy, since interest rates are neither the only nor even the most important cause of inflation.

As for interest rate policy in the coming year, the decision on that has not yet been made. The essential thing is that interest rates will keep pace with inflation. Unless steps are taken to lower inflation, it is not possible to lower interest rates either. In any case we have to be clear about the fact that the time for cheap money has passed for our economy. Efforts have to be made to make resources more expensive in a comprehensive way, by increasing depreciation rates, by greater allocation to accumulation, consideration being paid to the assets employed, the policy of real interest rates, but also to reduce the burden on income and personal incomes of the economy by making changes in the system of taxation to cover social overhead. In all of this the essential thing is to reform price relations in accordance with the criteria of the stabilization program. Interest rate policy cannot be a substitute for conducting a policy of comprehensive real valuation of all factors of production and a policy of stabilization in all areas. Nor can that stabilization be achieved by an isolated lowering of interest rates.

[Box, p 2]

Essentially Different

Under the conditions of a high rate of inflation it is possible to conduct a policy of high, but not real, interest rates: the higher the rate of inflation, the smaller the opportunities for conducting a policy of real interest rates. In view of the efficiency of the Yugoslav economy, a policy of real interest rates can be conducted only if inflation is less than 10 percent. It

follows, then, that it is a quite different thing for the economy and for economic policy to conduct an interest rate policy under the conditions of high inflation and under the conditions of low inflation. Of course, in more highly efficient economies it is possible to conduct a policy of real interest rates even at quite high inflation, but in fact one of the reasons why inflation is high is that the economy is not efficient.

Economic history has also confirmed the thesis that in the context of high inflation it is not possible for interest rates to be higher than the rate of inflation. There is no known example in the world in economic history where economic stability has been achieved with a high rate of interest in the context of a high rate of inflation, and yet economic stability is one of our supreme social goals. In the period between the wars and indeed also after World War II some countries tried to solve their economic problems with indexing, and one of the things they indexed was the rate of interest to the rate of inflation, but they soon gave that up, since the effect was counterproductive. Much the same assessment can be made of the experiences of the industrially advanced Western countries as well as certain others, when a few years ago they were swept by a wave of inflation. First they undertook to lower the rate of inflation as an evil that was jeopardizing the very survival of the socioeconomic system, and when they had brought it down, they were able to conduct a policy of real rates of interest and a balanced price of capital.

7045
CSO: 2800/30

POLITICS ALBANIA

NEED TO PROTECT PUBLIC PROPERTY STRESSED

Tirana ZERI I POPULLIT in Albanian 9 Aug 86 p 1

[Editorial: "Protection of Public Property--A Wide Front and Sacred Duty for All"]

[Text] The party has constantly seen and sees the protection and strengthening of public property as a great ideological, political, economic and organizational matter, as one of the columns for supporting the development and progress of the country. The socialist system and party work have created deep convictions and real opportunities for the people to protect them, because it is their labor which, through hard work and sacrifices, that is continuously improving their well-being and invigorating the socialist fatherland. In this direction, however, there is no room for self-contentment and passive attitudes, much less for the spirit of laxity and liberalism toward not so unfrequent cases of abuses and damage to property by certain individuals who are not properly formed or because of lack of organization. The duty of the party organizations and their levers, of the state and economic organs, from the center to the grassroots, is to create a sound opinion and a repressive atmosphere against all abusers, with a broad concept that public propety is damaged not only by stealing, but also by bad organization and management of work and by delays in the field of production, for example, in distribution, transport and processing of production by reducing their quality and so forth.

In this understanding, the protection of socialist property cannot be implemented without a broad and united front of control on the part of the party organizations of the state system of control, and without a close and fruitful cooperation with the workers and peasant control organs and mass organizations. This is the only way to fight the spirit of laxity and compromises and to create conditions for the direct involvement of the masses in this process. Go to the masses, the party teaches then, you will see that the ways for solving things are quick and many.

Properly organized campaigns (because there have been cases when campaigns have been carried out just for the sake of telling the leader "there you are, we have carried out the campaign") and executed in the shortest time possible, have an extraordinary effectiveness and, moreover, are irreplaceable for the reduction of losses and damages to production and not only against thefts, but also, above all, for saving time which is the greatest

saving. But, does one act in this way everywhere and in every case? Are situations evaluated in accordance with the feeling of responsibility required by the present times? Not always and not as long as directors and specialists in many districts and agricultural units make only calculations just for the sake of justifying themselves, instead of preventing, by all means, the loss of wheat by extending the deadline for the campaign. This cannot be feeling of responsibility in regard to the basic party organizations, directors and specialists of the districts of Kruje, Durres, Librazhd and Pogradec where, who failed to pick up the last three to four tobacco leaves in their units. Their tobacco production loss was estimated to be about two quintals of tobacco per hectare. One cannot speak of an aggressive spirit and protection of public property in regard to these agricultural units and districts which "burn" the grass which is ready for use, damage the straw that is vital to livestock, fail to irrigate the corn fields on time and delay the picking of beans and sunflower. One cannot also consider an active position the fact that other sectors of the economy leave coal to burn by itself in depositories or, when during transport activities or because of negligence, increase the loss of chrome, copper and other minerals that are so valuable for the economy. Tough attitudes are needed toward such cases; economic thought must not theorize, but must emphasize the real loss that greatly affects the economy.

A broad field and effective measure for the protection of property is the execution to the last, without laxity and liberalism, of the laws established for this goal and against any one who violates them even a little bit. As stressed at the Fourteenth Plenum of the Party Central Committee, liberalism puts up with the execution of regulations and norms, but it prevents you from acting in accordance with your authority, makes you hold a passive attitude when before your eyes, under your nose, antisocialist activities are taking place and also makes you turn a deaf ear to sick opinions. We must never forget that the most severe law, in a sense, is also the most amiable law, because it embodies the party norms and principles, the will of the people in power. To be guided by and act on the basis of these positions would mean to feel sorry for the sweat of the people; therefore, we must react seriously against anyone and any action that harms public property. The party organizations and the state and economic organs, from the center to the grassroots, in close cooperation with the justice organs, in these cases, have the duty to act with urgency and respectability, without bending, moreover, reacting with communist daring and courage against any pressure that is exerted and not as happened in some cases where, because of "objective" reasons, "there is a shift", after interventions, favoritism and "special conditions", toward one or another who violates the laws and harms the public property. All the people are equal before the law.

For the protection of public property, society acts directly with all forms of control and, above all, party control. In this framework, the specialized control organs have an extraordinary role. As stressed at the recent plenums of the Party Central Committee and in Comrade Ramiz Alia's recommendations, a shift is required in this direction so that the monitoring work will be stripped of globalism and so it will be active and preventive. A comprehensive monitoring, in process, of production, distribution and consumption

becomes a barricade against many abuses of public property and against damages. Such examples exist in every sector of the economy but, we must say that not everywhere and always is it evaluated as a work norm, outside the spirit of campaigns and formalism. Otherwise, we cannot explain such cases as the slaughter of animals under weight in some agricultural cooperatives in Kruje and Durres districts, the fictious evaluation of the fodder base for livestock and so forth. The practices observed in certain cases, the hasty monitoring without a properly determined plan or with no deadlines and, especially the failure to find the responsible elements make these monitoring acts formal and without conclusive force. Because, how is it possible that, in many cases, mistakes increase and public property is misused when the monitoring is carried out by the economy itself, the sections of the executive committees of the district people's councils and the various [ministerial] departments? But, why is it that the measures against damages [to public property] are so few? The monitoring organs are not organs that leave tasks behind tasks; on the contrary, they must decide and solve properly in regard to their discoveries.

The execution of all regulations in the field of administration and protection of public property is not bureaucracy; it is a necessity for every sector that produces and consumes. Specialized organs of control, finance and planning must strongly insist on the establishment of a complete documentation on the circulation of monetary and material assets. In this sense, every manager must properly understand that the rapid and precise implementation of an inventory is as honorable as the fulfillment of the production plan; therefore, he must not put his elbows on the table and relax, but must choose the commissions carefully and seek to implement the laws. We have enough monitors or guards; However, work often limps along because there is laxity on the part of managers and because there is lack of organization and lack of accountability on their part. The protection of public property is also a concrete field for confronting and improving organization within the framework of the mass discussion of the draft directives of the Eighth Five-Year Plan.

9150/12948
CSO: 2100/4

POLITICS HUNGARY

YOUTH ORGANIZATION CONTINUES NICARAGUA AID PROJECT

Budapest MAGYAR IFJUSAG in Hungarian 19 Sep 86 p 2

[Article by -v-: ""NIC" Hungary"]

[Text] The three letters in the title do not represent the brand name of a new Hungarian product, even though at first glance they may seem so. "NIC" is nothing other than the abbreviation for Nicaragua which, together with the word Hungary, makes up the "brand name" for the campaign which was announced at the KISZ congress: Aid for Nicaragua. As a Hungarian gift, through the work of the KISZ office organizing construction, we are building an agricultural training school for 140 students three kilometers from Chinandega. And in order for the school to be actually built, money is needed. The youth league has assumed responsibility for collecting 55 million forints--through donations, although donation is not the best term for the methods and forms they are using to collect the money. Much more appropriate is a two-word designation so frequently heard nowadays: enterprise and profit. We asked the head of the group directing this aid effort if indeed this undertaking promises to be profitable.

"Yes, the money will be collected and not over many years but within a matter of several months. We cannot wait years; we want to dedicate the school next July. That is why we cannot adhere merely to the traditional forms of donations such as selling stamps or soliciting the dedication of wages for Saturday work to this purpose. That is why we organized other undertakings that on the one hand might arouse interest and on the other hand might yield a profit that could in turn be used for construction of the school. Such an undertaking was represented by the fact that one week after the World Soccer Championship we came out with a best-seller about it. This was the first book on this topic, and copies were sold by KISZ members, but they were not volunteers. We paid them, albeit at a much lower than the usual rate. But at least it yielded some profit for the KISZ committee that organized the sale and distribution. And what is most important, the fund for construction of the school grew significantly out of the profits from the book."

I heard that you organized a solidarity bazaar. That is not such a new idea!

"That's true, but we sold items for which there is a demand: T-shirts and felt-tip pens that are inscribed with "'NIC' Hungary" and don't dry out--it is difficult to find these things in the shops. Or Rotring-type pencils, a Hungarian product manufactured under a Japanese license, which are of a better quality and significantly cheaper than their famous predecessor."

You sell everything cheaply and still make a profit? How is that possible?

"It is possible. We found those products and producers that market researchers have not yet discovered. And we have one other centrally organized effort, the sale of lottery tickets. We started this on September 7th, and each ticket costs 20 forints. Instant winners get a VCR, a color television, a portable cooler, an Adidas warm-up suit, shoes, a kayak, skis, or a vacation at Lake Balaton, among many other things. Prizes can be claimed at the Divatcsarnok Department Store. KISZ members working there store and distribute these items. And there are lottery tickets that entitle the bearer to participate in a public, televised drawing on December 19. The first prize is full ownership of a 53 square-meter apartment, one Volkswagen Golf and a Lada 1300 automobile, a wooden cabin, and in addition--among others--one can win a VCR, a calculator, or a trip abroad."

This system seems a little complex. How does the ticket-holder know what or when he has won?

"Posters located at the places where lottery tickets are sold provide this information. By the way, KISZ members and college or university students sell the lottery tickets throughout the country. And in addition to these centrally organized actions, organization at the local level has also started in the interest of the collection effort. "

And while we are buying lottery tickets, is something happening on the construction site?

"Yes. The first shipment of construction materials and food supplies for the builders are already enroute, and soon the builders will also leave. 10-16 individuals will work in Nicaragua, those who have already proven elsewhere--for example in the construction of the Cambodian City of Children--that they do fast and good work.

13201
CSO: 2500/14

POLITICS HUNGARY

CONTEST ON KNOWLEDGE ABOUT SOVIET UNION PLANNED FOR STUDENTS

Budapest NEPSZABADSAG in Hungarian 9 Sep 1986 p 7

[Article: "Who Knows More About the Soviet Union?"]

[Text] The Ministry of Culture, the KISZ Central Committee, the Hungarian-Soviet Friendship Organization, the Periodical Publishing Firm, and the periodical SZOVJETUNIO have again announced for the 1986-87 academic year the political contest series entitled "Who Knows More About the Soviet Union" for high school students and for students from other adult instructional institutions at the secondary level. The purpose of the contest is to promote knowledge about the history and contemporary life of the Soviet Union and the results of Hungarian-Soviet cooperation and to deepen the friendship between the two peoples.

Each high school, vocational high school, technical institute or other trade training institution, as well as independent adult education institution and school may enter the contest with a four-member team. The local contests are organized by the schools, and the best group from all regions will advance. The secondary school students will demonstrate their knowledge in Budapest district and county semi-finals, in the capital city and county finals, and then in eight national semi-finals, and in April 1987 in the national finals. The finals for the adult contest will also be held in April.

The secondary schools that finish in the top two positions will be able to use a furnished three-room cabin at Balatonbereny for a period of three years. The two teams that finish second will receive 35,000 forints, while the two that finish third will receive 25,000 forints. The students in the best eight teams and those teachers who helped them prepare will be offered the opportunity to vacation in the Soviet Union.

Detailed descriptions and application forms for the contest have already been distributed to the schools by the Readers' Service of Hungarian-Language Soviet Periodicals; these applications must be filled out and returned by November 1.

13201
CSO: 2500/14

POLITICS HUNGARY

DECREE ON PRIORITY TREATMENT OF NATIONAL ASSEMBLY REPS

Budapest NEPSZAVA in Hungarian 27 Aug 86 p 3

[Article by A.D.: "Government Decree About the Rights of National Assembly Representatives"]

[Text] Recently there has been increasingly more talk about the duties and rights of National Assembly representatives. As we reported in detail in our paper, the parliament not long ago modified its standing rules of order, and now the Council of Ministers has issued a decree on how the state administrative organs are obligated to support the work of the legislators.

The government decree emphasizes that a representative is performing his duty when he turns to state administrative organs in the general interest of the electorate, or when he requests information from these organs. Unfortunately, we still frequently encounter the official attitude that regards the inquiry and intercession of representatives as unnecessary interference, or an impediment to the work of the authorities. That is why it is warranted to call attention to one of the points in the government decree, according to which the representative, by calling illegal or bureaucratic measures to the attention of the appropriate organs, provides a useful service, since he is aiding in the assertion of civic rights, in the fulfillment of obligations, and in the strengthening of discipline.

What rights do the National Assembly representatives have in taking a stand in official matters? The Council of Ministers' decree prescribes that the state regulatory organs are obliged to show the representative the documents that would provide information about the procedure, the reasons for the measures taken by the authorities. If the representative does not consider the information sufficient, he may request that the matter be re-examined.

Another significant regulation is that the report or recommendation made by a National Assembly representative must receive priority, or must be handled within eight days at the latest, or if this is not possible, the period of time required to take care of the matter must be announced beforehand. In any case, higher authorities must also be notified about the fate of the report or recommendation.

The government decree obligates the heads or functionaries of state administrative organs or councils to honor the representatives' requests to be personally received on a priority basis. A representative may feel that people are not sufficiently familiar with a legal regulation pertaining to the general population on some matter. In such a case, the minister or head of the organ having jurisdiction over this matter is required to take steps to provide the population with sufficient information about the said topic.

Representatives themselves have an even greater need to be informed. That is why central provisions are instituted, so that the deputies can regularly receive communiques containing the most important regulations and that they can look at the official publications of individual ministries. Representatives must be provided within the shortest possible period of time with all such information that is necessary to the successful performance of their activities. This information, first or all, covers data pertaining to the social, economic, welfare, health, and cultural situation of their respective electoral district and to the plans in conjunction with this, but the deputies must also be informed about what measures from what organs are necessary in order to realize their recommendations, that is, where they should turn for substantive answers to any given questions.

The importance of the government decree is underscored by the fact that the president of the Council of Ministers oversees the implementation of the above-mentioned rights and obligations and their enforcement. If some representative finds that the state administrative organs have not fulfilled their obligations as outlined in the decree, they can turn directly to the president of the Council of Ministers with their complaint.

13201
CSO: 2500/4

POLITICS HUNGARY

PPF OFFERS POLITICAL UMBRELLA TO GRASSROOTS ASSOCIATIONS

Budapest MAGYAR NEMZET in Hungarian 2 Oct 86 p 5

[Article by Istvan D. Denes: "A Forum for the Associations"]

[Text] The story I heard from a friend who is a cultural worker is alarmingly commonplace. As he told me rather bitterly, the enthusiastic residents of a Transdanubian village decided to form a cultural association because the cultural conditions in their immediate environment were so bad as to make such assistance necessary indeed. As the law requires, they applied to the council for permission to form an association. They did so fully confident that the local authorities would welcome their initiative because these authorities alone, from the little money available, were unable to solve the settlement's cultural ills. But the applicants were in for a big surprise. The strict time limit that the law sets for the disposition of such applications had long expired when the competent authorities, citing the opposition of the municipal party committee, refused permission to form an association and even initiated "inquiries" about the association's founders, through various channels. These inquiries aroused the suspicion of others elsewhere. As a result, two people were suspended from their jobs with the local agricultural cooperative, for their allegedly excessive zeal in connection with forming an association. All this happened, my one-time colleague added, when a cultural conference was being held in the megye, at which the first secretary of the megye party committee definitely supported the formation of associations.

When these two events are placed in juxtaposition, the case inevitably becomes stereotyped: there is the wise and sound intention of the central authorities, which of course is then torpedoed at the intermediate level. The story is commonplace also because we know of several very similar cases that have not always ended satisfactorily, and some of which have even been reported on television.

But for a more compelling reason, all this would be unfair simplification, already because not every attempt to form an association is viewed with suspicion, and mainly because of a tendency to attribute the whole thing to some kind of subjectivism. This more compelling reason is that the PPF National Presidium's Committee on Cultural Policy debated a few days ago the question of associations. The proposed organization of a forum for associations

provided the occasion for the debate. But at the very start of the debate it became evident that it was impossible to consider the issue merely from a forum's viewpoint, divorced from everyday problems, because so many contradictions were stressing the existing framework that, from whatever starting point, one necessarily came to the same conclusion: there were gaps in the statutory regulations. In other words, the formation and operation of associations are being hampered not only by blundering officials, but also by questions that have not been clarified in principle. For example, what do we know about associations? We certainly know that interest in them has perked up in the past 3 or 4 years, and that they have become perceptibly more active, especially in public recreation and entertainment, and in culture in general. There is evidently a connection between the increase in the number of associations on the one hand, and the expansion of political and economic democracy on the other, and often the newly formed associations also fill a gap in the representation of interests or in providing cultural services. It cannot be claimed, of course, that a nationwide movement has unfolded: the number of functioning associations can be estimated at only between 80 and 100. But it is obvious in any event that grassroots associations are able to represent the interests of a smaller collective or group, and to perform also some of the cultural functions. Especially the local artistic, scientific, cultural and urban-development associations, and reading circles play an important role in the democratization of culture. Under favorable conditions, these collectives can become also democratic forums: the skills acquired here in the course of exercising one's rights can be put to good use in other areas of society's life as well.

But reality is not so crystal-clear. As a jurist pointed out in the mentioned debate--and all the participants agreed with him--scientifically the associations' role remains entirely unclarified at present. It is often difficult to determine, for example, what we are dealing with: An association, enterprise, voluntary public organization, or an office? The statutory regulations now in force provide hardly any guidelines for resolving this question. Aware of the contradictions, the Ministry of Justice is therefore planning to draft and introduce, still under the current five-year plan, a new bill on associations. But the jurist warned that new legislation was not the place to clarify the basic concepts, because it was hardly possible to incorporate the findings of new scientific studies into legislation already in place. First the tasks of the associations ought to be defined and information gained about their situation, and then the alternatives proposed on this basis ought to be submitted for debate to those concerned. In other words, the debate ought to be on the preparations for drafting the bill, rather than on the bill itself. Unquestionably, a forum for associations could contribute meaningfully to the scientific studies and to the drafting of the bill.

For the time being, however, the functions of a forum for associations, let alone its frame of reference, are rather undecided. In February 1985, the then PPF Cultural Working Committee proposed the organization of a forum for associations. The first meeting, at which about 150 associations were represented, the PPF's standpoint was clarified, and the questions of the management and finances of culture were reviewed. Now the idea of holding another

meeting has emerged. But many associations fear that the establishment of a forum would be the first step toward their institutionalization. They cite, with some justification, the youth club movement of the 1960's and 1970's as a very obvious example. What happened then was that the network of cultural and voluntary public organizations practically absorbed the mass of spontaneously formed clubs. Independent activity was replaced by something entirely different, and the institutionalized clubs went bankrupt, one after the other.

This obviously ought to be avoided, perhaps by forming with PPF help a loose federation of associations, which will be necessary in any event. Why? The answer is indeed very complex. The report presented to the Committee on Cultural Policy reads in part: ". . . numerous factors are hampering the formation and spreading of associations. The most common factors are: excessively strict interpretation of licensing and supervision; manifestations of political fear; fear of losing the existing organizations' monopolies; fear of losing financial support from the state, voluntary public organizations, and business organizations; and the public administration authorities' ignorance." If all this is true--and we have no reason to doubt the expertise of the report's authors--then there obviously is great need for representing the associations' interests, which here means mainly informal consultations. (Incidentally, a participant at the mentioned meeting proposed half-jokingly, but actually in all earnest, organizing a forum--in addition to the one for associations--also for public administration officials, to acquaint them with the affairs of associations.)

In accordance with the general logic of organized groups, practically every one of the newly formed cultural associations is exceptionally active during the initial period of organization and operation. People come to these collectives with the best of intentions, mostly with a desire to help. Many come because they feel that the existing opportunities for recreation and entertainment are too limited and not for them; and they hope that the associations will provide room for the realization of their ideas. But the initial enthusiasm plunges almost everywhere: interest in the programs diminishes, and the arising problems disillusion more and more people. A kind of vacuum develops, which those who opposed the associations' formation regard as confirmation of their doubts. It would be a grave mistake to let the associations fend for themselves, because their dissolution would deprive our entire society of a valuable base. For the associations' existence is not merely a spot of bright color in our cultural life; it is also practical proof of civic initiative, of opportunity to work for the community.

At present there is no forum which could provide for the associations the knowledge and ideas they sorely need for their operation. Today a chronic lack of information appears to be one of the greatest problems, and therefore it is obvious that the institutional organization of thorough, and mainly accurate information seems to be the most pressing task. We need a forum that not only answers questions, but provides advice as well, and in the meantime does not become an office, nor perhaps a supervising agency.

1014
CSO: 2500/30

POLITICS HUNGARY

CONFLICT RESOLUTION PROBLEMS POSED BY DECENTRALIZATION

Budapest MAGYAR NEMZET in Hungarian 4 Oct 86 p 7

[Interview with Dr. Istvan Kukorelli, PPF Secretariat Member, Secretary of the Public Law Committee by Laszlo Nagy Csaszar: "How Do We Handle Our Conflicts?" Discussion on Local Autonomy, Democracy and Political Activity]

[Text] I recall how Ferenc Erdei used to urge us that we should compare our ideas with reality on a daily basis to find out how far we have advanced along the course we had charted for ourselves.

Local autonomy, which is perhaps the most important element of our electoral law, has been tested in practice day after day for more than a year now. I realize that the lessons learned during this period are by no means sufficient for drawing far-reaching conclusions. Nevertheless, from time to time we need to sum up our everyday experiences. We need to do this in our own interest so that the course on which we have embarked will hold less surprises for us, and so that we can feel more at ease in handling--and solving--the conflicts that have surfaced during the present phase of our social development.

We must not forget, of course, that the development of local autonomy had been first defined as a goal to be pursued in the local council law that has been in effect since as early as 1971. It was not until this past year, however, that local autonomy received its first real impetus with concomitant benefits to democracy in public life.

Real Interests Clash

This and real issues pertaining to corporate work were the subject of our talk with Istvan Kukorelli, PPF Secretariat Member and Secretary of the Public Law Committee.

[Question] One of today's most unequivocally accepted legal and political requirements is that more and more people should be drawn into local public life. In order for this to happen it is

essential that publicity and the openness of our various forums be guaranteed, even in cases where so-called sensitive issues are being decided. To what extent has this requirement become a reality by the second half of the 1980's?

[Answer] One of the operating principles of the local council law is that the local council sessions are open to the public. The law permits only minimal possibilities for holding closed sessions. Such meetings are permitted only when they are called to discuss personal matters, the elections or appointments. However, it is contrary to the spirit of the law to hold local council meetings that are open to the sponsors of a proposal while closed to others, since the very purpose of publicity is to involve the citizens of the community in the public life of the village.

It is another matter, and the indicators received by our working committee have convinced me of this, that people resent it when they are excluded from one of the most important events of the village, regardless of what may be discussed there. With the strengthening of local autonomy we have encountered several cases that are just too significant to be handled on the local level, and thus require nationwide publicity if only because of the treatment and type of solution they demand and the lesson that can be drawn from them. After all, the strengthening of local autonomy is something that has occured not only in the economic but also in the political sphere, in the state institutions, including the local councils.

This is unequivocally supported by the fact that as a result of the electoral reform the local councils have become more active, and that at today's council meetings genuine interests clash. Until now it was considered natural for effective central control to require help from the members of the executive committee. As a result of the electoral law, however, the weight of the exercise of power has shifted to the local bodies.

Present experiences show that at most levels the leadership still has a difficult time getting used to this increased activity. First of all, becuse they are unable in every instance to properly handle the conflicts resulting from the debates. Still another interesting feature of the electoral reform is the fact that although the number of local council districts has been reduced the executive committees can no longer act as the sole practitioners of power; they must share this authority with the local council meetings.

In resolving conflicts it is no longer possible for a few individuals to use their authority to "dismiss" an elected body. These changes may have led to more conflicts between the local

and central authorities in organization, finance and personnel related matters. Today we are still not quite prepared to deal with such differences of opinion, as we may still encounter a great many phenomena that heretofore have not required regulation. In this connection it is perhaps enough to call attention to an interesting factor: namely, the person of the president of the local council. What happens, let us say, if the selectee of the local council does not fit into the higher council's scheme of ideas? So far it has been possible to resolve this question without significant debate in favor of the higher authority.

Building on Traditions

[Question] The existence of conflicts between the local council body and the executive committee, however, should by no means be understood to suggest that our citizens have been taking a greater part in the administration of public affairs.

[Answer] It was a mistake for us, answered Dr. Istvan Kukorelli, to have claimed once that citizen participation in the conduct of public affairs would eventually be 100 percent. There have always been and will continue to be people who are politically apathetic. Unfortunately this rise in the number of politically apathetic [citizens] has been due partly to the changing of generations, and also partly to the growing difficulty of preserving our standard of living. Also contributing to this, of course, is the fact that for some time now our society's hallmark has been a consumer rather than a producer type of man, which has had a negative effect on political participation.

It is a fact, however, that those who have undertaken the role of a public servant and the responsibility of becoming involved in politics have become more and more active at the local council meetings. Primarily because local bodies are no longer set up according to statistical requirements, and their members can no longer be compelled to submit to outside pressure. Also facilitating the effectiveness of local autonomy has been the fact that with the implementation of the electoral law long decades of activities have come into full view, and that the ensuing changes in the exercise of power have also resulted in a kind of institutional change. The centrally organized system of political institutions was in direct conflict with the traditions of local autonomy.

This despite the fact that there have been many examples, especially in the smaller communities, that show that this nation does indeed have traditions in democracy and local autonomy. This past year has clearly proven that what is needed

is not to teach the people about democaracy but to allow it to make decisions by itself on the basis of democratic principles about matters by which it is directly affected. This was the goal when the local autonomy element was incorporated into the local council law.

This concept of local autonomy is based on fine principles. In order for it to become a reality, we must,besides ensuring organizational autonomy, also reduce the number of directives and create an environment of economic independence. Instead of curtailing the local councils' scope of authority, we must ensure increasingly greater opportunities for independent decision making. This way people can have a greater appreciation for the values they produce. The problem is that today, due to the difficulties of the economy, the economic conditions of local autonomy necessary for resolving various issues are lacking, and the guaranteed autonomy of organization and authority has come into conflict with economic independence.

This is also one of the main reasons--as the debate concerning the role of associations has proven--why our institutional system has so far been unable to properly integrate the emerging interest in political participation, and consequently, why local conflicts have often not been resolved fairly. I believe that the only feasible way to resolve such disagreements is by continuing to broaden the scope of direct democaracy. This may have a positive impact on politics, for only by familiarizing ourselves with the opinions of our citizens can we find out how a given issue is received by the masses whose participation may help us to make the right decision.

Accepting Publicity

[Question] What solution could you recommend for improving popular representation?

[Answer] One thing that would be worth looking into would be a system whereby the number one leader of the local council would be elected not by the membership but by the people of the community, either directly or indirectly. I believe that this would, first of all, provide a better defense for our policies, and it would help majority will to assert itself better. Perhaps even our conflicts would become more manageable since presently political norms are sometimes considered to be of equal rank with legal norms. As an example I would only mention the concept of irreconcilability which a local council can declare without a judicial decision, because irreconcilability is a political norm.

Yet it is precisely in order to protect the innocent that we should insist on allowing only the court to determine one's

guilt. Let us have enough faith in the impartiality of our judicial system to leave the decision on such issues to the courts. If for no other reason, because if [guilt] is determined by a [non-judicial] body and that is how the case comes before the court then it is precisely the pejorative nature of that determination that violates the principle of judicial independence. Not to mention the fact that office-holders are employed not according to the labor code but to constitutional law. Certain signs indicate that we must prepare for many conflicts if we decide to fill legal gaps by using political methods.

In my view it would be essential for us today to perfect the rules of political democracy since we are about to enter a new phase of social development. This is evidenced by a growing interest in associations, a yearning by our citizens for local autonomy, as well as by the passing of the press law. If we fail to perfect these rules in time we will not be able to democratically resolve our conflicts which our own development has made so visible.

[Question] Perhaps the Constitutional Council, a body which so far our citizens have heard very little about, could also be of help in this. And so could the popular front movement.

[Answer] Indeed they could be. As far as the functioning of the Constitutional Council is concerned, society is greatly disturbed by the fact that it has been shrouded in mistery. I am convinced that in the present phase of our social development, bringing a few hotly debated issues before the public would go an eneormously long way toward establishing legal precedence in the case of a given legal gap. And there would be plenty of opportunities to do this since a great many examples have shown that our laws do contain non-judicial types of principles, and that at the same time the norms often stem from non-statutory legal sources and occasionally from legal directives.

I believe that in such cases the Constitutional Council's legal interpretation would be of tremendous educational value. According to our prevailing laws our people's front committees could play a greater role in strengthening representative democracy than it does currently. Except that when talking about the role of the people's front one must realize that since it is not organized on the basis of democratic centralism, the leaders of its committees have closer ties to local structures than to the central concepts that are so important to the people's front movement.

This is why it is still possible today for some people to carry their ideas through their respective local bodies and to have

important local issues decided with those bodies merely assisting in the decision making process. Often certain people's front committees only provide the framework for this. We must accept the way the citizen thinks; namely, that if he feels that the work of a given body or authority does not take his interests into account he will withdraw from local public life. Only democracy can release genuine creative forces. Among other things, this is why the press and political publicity have become important means for resolving conflicts.

All in all, I feel that the development of local autonomy has brought certain heretofore unknown conflicts into public view. Even with the lessons drawn, however, I continue to believe that we must move forward, for well functioning local governments and a more positive attitude among the citizenry can make the task of governing more effective.

9379
CSO:2500/33

POLITICS HUNGARY

POLITICAL REFORM: DIVISION OF POWER, CHECKS, BALANCES NEEDED

Budapest TARSADALOM KUTATAS in Hungarian No 2, 1986 pp 109-113

[Article by Gyorgy Szoboszlai, Senior academic fellow at the MSZMP CC Institute of Social Sciences: "The Reform Process and the Reform of the Political System]

[Text] There is no objective yardstick or direct scientific method to accurately estimate just what far reaching changes may be taking place in our socio-political system, since it is only in the long range and by indirect methods that we can survey and evaluate the mechanisms of cause and effect. We can, of course, register surface events, organizational shifts, functional paradigm changes and individual, measurable correlations. Thus, for example, the reception by society of any given regulation directly affecting it, becomes immediately evident, and also objections are soon voiced--as it happened recently in the case of the regulation of settlement promoting contributions--but that is not a reflection of the entire surface of social movements, and we cannot aggregate partial phenomena on the basis of an often arbitrarily selected system of values. The direction in which the institutional system shifts and the effects of the changes occurring within it can be judged accurately only from a certain distance, from a more or less distant historical perspective. This is, by all means, a warning sign: our judgements might be greatly distorted by the dimensions of interests subject to the ups and downs of the economic situation. Nevertheless, we are forced to constantly confront the expressed and latent value systems with society's actual processes. It is important for us to know what direction the changes in the social structure are taking, what mounting unresolved tensions, what invisible and unbalanced structural contradictions are straining the political system, what social institutions, obviously no longer suited to the needs of the times, are ripe for reform. In general, how effective is the integration of society as a whole. We become particularly sensitive to these questions during prolonged periods of economic stagnation, because it is obvious that a stagnation of the economy may be a sign of a compromise evolved at too low a level of society's various forces--some organized, other unorganized--the fact that we are unable to come up with adequate answers to crisis tendencies and that, perhaps, there is some diseased tissue, incapable of healthy action, in the process of spreading over society's body.

Continuing with the biological analogy: society is a living tissue, live interest cells are operating in it. There is no political system that is static. What we might find unnatural would be if the institutional system were capable of regenerating itself in unaltered form. The question is, how the changes, reforms and counter-reforms affect empirically existing interest systems, which of the interest promoters gain and which lose in the course of consciously decreed changes and uncontrolled or uncontrollable changes. Changes of a group character are assessable: which strata undergo what changes in their standard of living, their capacity of protecting their interests, how emphases in power structure shift, what social disadvantages are recreated, where and to what extent, what is characteristic for value changes in the ideology-promoting groups, etc. The question of cui prodest is the politically really relevant question, to which we can get answers (never final, but constantly revalued) only by the institutionally assured revelation and analysis of a given society's conflicts and value and interest distribution. Inseparable from this requirement are reform processes which, in the course of the past two decades, undoubtedly played a role in the fact that the political system has become more sensitive to conflicts. This, it seems to me, is the true role of social reforms: social harmony and construed interest unity, which in earlier times had been elevated to political rank and postulated with fake naivete, were superseded by the contemplation of society based on interest plurality for a finished political form--as an impossibility). Acceptance of the necessity of reforms is, in itself, a political act. Its acceptance puts the evolution of political values on a new course, legitimizes thinking in terms of political values on a new course, legitimizes thinking in terms of political alternatives and renders impossible empty categories forcing the movements within society. In this sense it is not necessary for the reform to be founded in science--though, of course, it does not hurt if an economic reform is based on economic theory, because otherwise it may be the source of serious losses--it suffices that it inspire the political sphere to constant self-examination and search for appropriate approaches.

At the same time, I consider as scholastic the occasionally renewed discussion centering on the category of reforms, as though it were a realistic question whether or not there is a need for reforms. These kinds of discussions have their own choreographies, inasmuch as the following syllogisms keep constantly coming up: all progressive forces agree that there is a definite need for reform; politics is ambivalent, it wants reforms and it does not want them; reforms cannot call themselves reforms, they become "tainted," they become degraded into partial mini-reforms, which can always be "taken back;" economy is reform-oriented, but politics will not be reformed; under such conditions there is only one solution, namely that politics must be goaded "from beneath" by means of a publicly organized reform movement, unto the course of logical reforms. Such a logical discussion will either drown in generalities or in very interest-oriented (and what is more: in fashion- or scientific fashion-oriented) particularities. Such is, e.g., the often extremely simplified treatment of the market's role in domestic mass communication, or the uncritical proliferation of liberal ideas in sociological thinking. The discussion around reform is scholastic also because while the need for reform keeps being mentioned in general, the real essence and scientific basis of

individual reform concepts remains overshadowed. However reform, as a political trend, can only be successfully if it can stand up to practical testing and its contradictions are not swept under the rug in accordance with the pseudo-requirements of a fake compromise. Fake reform ideas, to be sure, (and we can quote historical examples) may be the handmaidens of well-intentioned manipulations; by judiciously dosing them, one can neutralize those progressive social forces and idea trends which would wish to reform the power structure more radically, and formulate the contradictions in a more conflict-saturated interest-treatment mechanism. Consequently, I do not see much sense in theorizing independently from concrete institutional circumstances, in counter-ideological treatment of reform deals, in the heaping of one obsolete theorem on top of the other, and in juggling around the concept of reform. Because how far do we get by stating that changes, per se, do not mean reform or that reform is nothing but a new way of forming institutionalized mechanisms and organizations? The concept of reform, therefore, is indeed getting inflated, which is, however, no excuse for us not to be concerned with the reform contents of social changes and with the qualification of such contents. In this area, actually, one of the most important questions in the political system. In other words, is economic reform possible without political reform, is an all out reform of the political system necessary and if so, are there any coherent reform concepts? Are there any scientific and political idea trends that can set direction for reforms within an inside the framework of wheeling and dealing? I will try to make my marginal comments to these questions.

There is a rather wide-spread but false notion to the effect that reform processes are restricted to the economy and progressive changes taking place in it do not travel by osmosis into the political arena. This somewhat simplistic statement might not be entirely irrational, though it does not reflect the factual situation. An economic reform is, simultaneously, a political reform as well, since it relates to the basic conditions of the political system, particularly to the theory and practice of political involvement. This fact has no bearing on the other fact that desires for reforms originate and matter in the economy (in the strictest sense of the word,) and the reasons need no further elucidation. Based on the increasing legitimization requirements of the political system, in political decision making--and not outside of it--is where the need for reform is conceptualized and its concrete contents are determined. Reforms are really aimed primarily at the structure of the economy and the changes do not become immediately and patently obvious in the political sphere in the strictest sense of the word. However, the conceptual paradigm change of theoretical significance touching on the sociological role of politics does not, in the long run, result in fundamental structural shifts. The value system of an interest-integration mechanism, relying on a fundamentally different logic than before, is being integrated into the political thinking of the people, and this value system--and not primarily the organizational changes--makes the process, the so-called reform spiral, almost irreversible. We have no exact sociological picture of that trend which, simplified in the minds of the general public, appears as a kind of liberalization process, hiding its essence, the more slowly evolving structural changes in society's structure and poltical circumstances. One thing, however, is certain, namely that scientific trends

and latent ideological trends disguised in the terminology of science play an important role in the easing of stupid political limitations and ideological strictures. (It would be a mistake to question science's neutrality, although it would be equally wrong if we were to take it seriously in every instant.) Liberalization of economic thinking played a decisive role in our domestic economic reform processes, but this does not change our minds about the lasting scientific value of the various schools of thought. We might perhaps even venture to say that the so-called "reform-suggesting" role is counterproductive in the scientific area, because it hinders internal discussion and the sharp confrontation of various trends. (A good indication of this is the politically perfectly understandable, though scientifically quite questionable conception of the market as well as scientific opinions regarding our country's openness to foreign trade which often cause consternation even in the conservative Western press.) At the same time, we must also consider the important fact that the reform-formulating political element is not at all homogenous, regardless of how much that may be indicated by superficial homogeneity reinforced by political culture.

The effects of political reforms on the political system are not some kind of a mechanical process which can be described by the quantitative transformation of roles. Macro-economic involvements are evaluated, so that there is no chance for politics--so to speak--to withdraw from the economy. We can rather speak of challenges to the function of politics, to its system of ways and means and its conflict-creating apparartus. The role of politics is only strengthened by the limitations on government interference, because emphasis is shifted to the regulation of essential processes, in which the political evaluation and anticipation of social influences is particularly important. After narrowing down the sphere of area influences, sooner or later we must put on the agenda a revision of the proliferating and very direct system of interference via money, customs and foreign exchange regulations.

In some instances reform measures significantly affect the field of political stability. We can cite as an example the proposed introduction of a personal income tax. The politically supported plan of proportional taxation may be politically dynamized by seemingly extraneous, apparently technical circumstances, because they can intensify the conflicts between the different social strata. (The explanation is rather obvious: the premise that different occupational groups and types of income can be taxed with the same effectiveness, is wrong. And the system of taxation, as it has evolved, cannot be changed overnight--remember the historically ossified tax morale--even by a substantially reinforced tax collection apparatus. Just what it is that should be done can be determined only in a trade-political decision process; here we can refer only to the political time bomb aspect.

The above mentioned paradigm change taking place in the mechanism of the political system is fully synchronized with the fact that in social development, with the solidification of this social arrangement's own foundations, the form-determining role of political will becomes gradually revitalized. In the political system there is an increasing tendency toward mediations and with the relative strengthening of the relative autonomy of the individual social spheres, there is a definite upgrading in the

system-integrating role of the citizens' society. In a different frame of reference, the same thing finds expression in those system-viewing analyses, which talk about the loosening of the dominant role of politics and about the transcendental claims of the historically evolved overdimensionality of the political system.

The foregoing--that is that economic reform, by definition, is tantamount to political reform in a politics-centered society--is not contradicated by the fact that at the level of institutions, especially of organizations, asynchrony reigns: more tangible changes take place in the economic than in the essentially state-political institution system. This is expressed in the obscure unchangeableness of the political decision making procedures, in the extreme stability of the mechanisms of political structure, in the delay of the emergence of guarantee systems made possible by political stability, in the over-assuredness of the constitutional model, but from a closer point of view, also in the fact that the economy-directing state institutional system is unable to keep up with reforms that form the entrepreneurial sphere.

2. Reform Aspirations of the Political System

Within the framework of this short article, I cannot undertake a thorough analysis of this question and, therefore, I will not, primarily, discuss the concrete reform needs, but rather the general political theory projections of the problem.

Our party-centralized political system is not formed by a series of conflict-laden confrontations of open political trends that appeal to social publicity and generate a mass basis. In a structure of this kind the basic composition of social regeneration is stable and unquestioned and reforms occur as compromises between various social forces, which are not social plans or programs worked up consciously as some sort of social optimum; on the contrary, they are characterized by spontaneous political movements evolving unpredictably and according to the rules of the game of the balancing of the forces. These movements are characterzied by socio-political self-evolution beyond formal rationality. In a somewhat simplified form: it is not the general problems of formation which they treat at the level of politics, but rather those conflicts of society which are most pressing and which surge to the surface.

In the political system of socialism, at the present time and historically, it is still the basic relationships which are in a state of formation; this is rather obvious. It is often irrational, but it is subjectively understandable that the need for stability is valued in this system. The increasing need for stability often hinders even the acknowledgement of the necessity of reforms, and tends to institutionalize structural paradigms which will influence the selection-values of personal selectivity as well. There are objective reasons behind the fact that so far no organizational framework has evolved in which a so-called dynamized stability could be institutionalized. This explains the fact that political conflicts can accumulate over a longer period of time and occasionally radical shifts may occur without anybody being able to predict

the exact paths leading to them. This is obviously a simplified picture, which would require a much more detailed analysis. However, its basic truths are unassailable.

Of particular importance seems to be the detail of how to make better use of the political system's latent stratification. Prevailing democratic reforms are adequate to fill the scope of a peculiar logic, their possibilities in that sphere are quite limited. Within the given parameters of the decision-making mechanism, actual counterbalances are difficult to institutionalize and the formula that says that the party is its own opposition can solve this problem only verbally. The reform of the political system can crystalize around this question. This problem, furthermore, concerns the institutionalization of power structure as well, in particular the division of power branches and government's independent political responsibility, to mention just the most important questions. In their present, almost four-decade-old model of a political system, the power unit is a given which is partly expressed by the one-party system, but mainly by the conception and institutionalization of the party's leading role. At the same time, via legitimacy, the political system unambiguously doubles, because substantive legitimacy assured by the party cannot lack the institutionalization of the state's formal legitimacy, the formal social authorization of the political system and its assurance within organizational bounds. However, organizational separation of state life does not mean power sharing, especially not if we consider the fact that power sharing has not social conveyor. To put it quite clearly: the state's relative independence, both practically and ideologically, is a problem within the interpretative competence of the existing party-political power structure, not independently, of course, from social processes which determine even politics.

Consequently, there is a need for counterbalances and control mechanisms but that, I believe, is unimaginable by the use of the concept of power sharing. But we should recognize that this is one of the most important points of debate regarding the reform of the political system. Part of it is the structural question--to which little attention has been paid so far--as to what the real connection is between party and state, or rather between party and social interest groups. The latter sphere should definitely be analyzed prior to outlining any reform concepts.

Even if the classic power sharing concept would seem to be of little use, we can recognize valuable and positive reserves of intra-state functional separation. A more effective separation within the constitutional model of the present labor division areas could be achieved so that we may better institutionalize, within the letter of the law, the mutual control of the individual types of activity, radically increasing their significance. (Just a few examples: real constitutional justice system, control by the courts of public administration, increased trade-political weight for public administration and reestablishment of its social prestige.) A marked political re-evaluation of administrative activity can be fitted into this concept which, however, presupposes fundamental changes in the party's top level political decision-making mechanism.

We can, at this point, put a full stop to our fantasies. The need to reform the political system is, by now, pretty well defined. The analytical apparatus and the extent of organized empirical knowledge bids us to be modest. We must realize that the self-esteem of politics in this area is more clearly related to the formulation of scientific concepts. Recognition of needs does not necessarily mean ability to act. But we are very much in need of mental plans. And we have them. At this point still very eclectic, integrated, within narrow trade circles, with limited trade publicity and even more limited political publicity. We can quote various examples to the effect that the scientific community does not have partial concepts with reference to the political system. (E.g.: the scientific concept of the reform of the electoral system suggested putting the social interest representation on a nation-wide ballot. This was rejected in the decision-making process. The latest constitutional amendment indicates that the presupposition was correct.) But partial concepts can be selected and integrated into reforms of the political system only by political movements.

12759/13104
CSO: 2500/485

POLITICS HUNGARY

SIGNIFICANCE OF 1956 REVOLUTION ANALYZED

Leading Dissident's Views

Paris LE MONDE in French 22 Oct 86 pp 1, 6

[Article by Janos Kis: "End of the 'Agreement to Forget'"]

[Text] On the occasion of the 30th anniversary of the Budapest uprising and the "Springtime in October" in Warsaw, we asked two eminent East European intellectuals, both philosophers, to clarify the present significance of these events. Below, Janos Kis presents a Hungarian point of view. On 23 October we will publish the article by Polish philosopher Leszek Kolakowski.

When the demonstration of the students began in Budapest on 23 October 1956, moving from the statue of Petofi to that of Polish General Bem (Footnote 1) (The poet Sandor Petofi played a major role in the Hungarian Revolution of 1848, and Polish General Josef Bem led the revolutionary troops.), the Hungarian authorities, like the organizers of the rally, had lost control of the situation. Hundreds of thousands of people came out into the streets. The crowds seized control of the city. They were aware of their strength as well as of the weakness of the government. Becoming bolder, they expressed increasingly reckless objectives. The first slogans that appeared still spoke of a "renewal" of the Hungarian Socialist Workers Party and hailed Soviet-Hungarian friendship "based on equality." By evening of that day the people in the streets were already demanding the abolition of the single party system and an end to the foreign occupation of the country.

The demonstration did not come to an end, and it was inevitable that something else would happen. Part of the crowds went to Stalin Place to bring down the statue of the hated dictator. Other crowds assembled before the radio service building. They were trying to arrange for the broadcasting of the 16 "postulates" approved on 22 October at the University of Budapest. The police opened fire to prevent the crowd from entering the radio service building. The news of the firing spread like wildfire, and people began to search for weapons. The first rifles which the people seized came from the depots of factory militia, police stations, military barracks, and para-military, sports associations.

It was then that the bomb which the government itself had set finally exploded. Shortly after midnight Soviet tanks entered Budapest. Hungarian

Government leaders, panic-stricken, had called on them for help early in the evening of 23 October, when the situation called for dispersing peaceful demonstrators, as happened in Berlin in June 1953. However, when these Soviet units arrived in Budapest, they found themselves faced with armed insurgents.

The insurgents were not too clear on what they should do. They were few in number, not yet organized, and engaged in obtaining arms and finding leaders. The Soviet intervention showed them what they should do and won for them the sympathy of the people. Isolated skirmishes were transformed into a struggle for independence.

The more the moral force of the resistance strengthened, the more the government became demoralized. The appeal for assistance from foreign troops alienated a large part of the officer corps, the administration, and even the party apparatus, while destroying the self-confidence of the relatively few people who had remained faithful to the regime. The leaders of the communist party thereby admitted their inability to govern by themselves. They were thus fated to give way.

The Soviet troops, far from containing the revolt, on the contrary fanned it further. Soon, the Soviet forces themselves would be contaminated by the people's movement. The communist state crumbled after a few days and found itself obliged to come to terms with a handful of poorly-armed insurgents. However, to reestablish peace, it was then necessary to provide for changes which, 1 week earlier, would have been inconceivable: representative government, autonomy, and external neutrality. A classic revolution took place which only a new, massive invasion could defeat.

As happens in every revolution, the situation was created by a series of interrelated developments. If the government had appealed to the Soviets on 23 October in the name of the Warsaw Pact, perhaps it could have calmed the people without going so far as to declare its external neutrality. If, on 24 October, a government of national unity had been established, calling itself a Patriotic Front, perhaps it would have been possible to avoid a return to a multi-party system. If the government had remained in control of the administration, perhaps the revolutionary committees would not have come into existence. However, as in the case of every authentic revolution, the accumulation of past errors made it possible for processes which had been gestating for a long time to come to fruition. That the people wanted to get rid of the autocratic regime of the communist party, police tyranny, and a humiliating form of national dependence could only have astonished those who obtained benefits from the regime. More remarkable is the speed with which unanimity was achieved on the changes to be made.

Paradoxically, the objectives of the revolution also matured, thanks to Stalinism and the brutal changes which it had required. Between 1948 and 1956 an overwhelming process of industrialization and a cultural revolution had taken place which had set vast numbers of people in motion. An unprecedented levelling process took place. It is true that the industrialization program was rather rickety, that the culture propagated was of poor quality, that there had been incredible suffering inflicted, and that the mobilization of the masses was achieved by force. However, the people who rose up in 1956 did not wish merely to correct the errors of the past. They also wanted to adapt

themselves to the changes which had previously taken place. This desire was confirmed by the establishment of workers' councils.

A Series of Errors

Nor should we forget the uncompleted revolution of 1945. The heritage of 1945 involved, among other things, the desire to have representative democracy, free elections, individual and private property, and local self government. The implementation of these objectives, ridiculed after 1948, was particularly in the minds of the democratic parties reestablished during the revolution.

However, for Hungary even 1945 was only an episode in the long series of uncompleted revolutions, lost wars of independence, and aborted reformist movements whose objective had been to integrate Hungary into the principal currents of European social progress. For a moment, in October 1956, people were able to think that this old aspiration was going to reach fruition this time. Hadn't Imre Nagy (Footnote 2) (Imre Nagy, prime minister of Hungary from 1953 to 1955, was again head of the government in October 1956 and was executed in 1958.), in his speech of 1 November, spoken of "the achievement of a centuries old dream of the Hungarian people"?

That brings us back to an essential question: can the Hungarian people forget 1956? After the crushing of the revolution the reconstituted communist government did everything possible to uproot any recollection of this event from the collective memory of the people. First, this was done by the use of a cruel process of repression: more than 16,000 people were sentenced to prison for their participation in the revolution. There were at least 350 people executed. To these figures should be added the tens of thousands of persons arrested or the men and women placed under police surveillance, not to speak of those who were prevented from returning to their jobs. The 1960's saw the regime consolidate itself and propose what amounted to a bargain to the people: "We will stop persecuting you for 1956 if you do not hold us responsible for the past." The survivors of the program of repression, for the most part, were to be released or could resume their former occupations. Ideological campaigns lost their virulence, and writers who had been reduced to silence were again authorized to publish their works. A series of significant burdens were to be removed from daily life. Real improvements were to be made, and a tired and worn out Hungary would regain a taste for its modest pleasures. Only a minority of uncompromising figures was to remain ineligible for the benefits of this arrangement.

'Compensations?'

The agreement to forget has functioned for almost a whole generation. What reason do we have to doubt that it will be extended indefinitely? Such a compromise could be extended on condition that the regime would be in a position to offer the nation real compensation for having turned it away from the main current of European social progress, for having forced it to renounce having a state of laws, representative democracy, a free trade union movement, civil rights, a market economy, and a free choice of the forms of self administration. However, the most convinced supporters of this process of consolidation only believed for a short time in the possibility of such compensations. They are more and more inclined to think that the policy of

consolidation has exhausted its potential. Living conditions have stagnated and even deteriorated. The reasons which justified a policy of forgetting the past are becoming blurred.

Yes, but what to do with the memories of the revolution at a time which is nothing less than revolutionary? For a nation it is certainly useful to recall that its masters depend on their good will (that is the lesson of any revolution) and that it is useful to have an idea of the creative forces of the nation which the revolution revealed. However, the question remains whether the objectives of 1956 make any sense today. It is certain that today, as yesterday, the Soviet Union is not ready to accept the neutrality of the small, Eastern European states, the conversion of their political systems into pluralistic entities, or their commitment to some form of social self administration.

The examples of 1968 [Czechoslovakia] and of 1980-81 [Poland] are there to demonstrate that programs noticeably more modest than that of the Hungarian revolution can also unleash a process of Soviet repression. However, in 1986 the Soviet international system is no longer what it was in 1956: its economic cohesion has been dislocated. Soviet supervision has become less effective by reason both of the growing differences in local situations and the worsening of Soviet domestic difrficulties. The technical backwardness of the countries of the region requires the development of contacts with the rest of the world. In its capacity of nuclear super power the USSR cannot avoid normalizing its relations with the United States. In exchange for the Western guarantee of the European status quo, the USSR signed declarations regarding civil rights in Helsinki. Even though this has had no decisive effect, it has not been an inconsequential development. We are living on the western borders of a declining empire, which has more and more difficulty in isolating itself from the rest of the world. Under these conditions there is some hope in looking for evolutionary paths which will make it possible to approach the ideals of 1956.

'Remember 1956'

This is a problem which should also be raised with the government. The popularity of the Hungarian government is no longer what it was just a few years ago. If the government does not understand that, with its customary methods, it will reach the point of being less and less able to satisfy the Hungarian people, it could soon find itself in the same situation as certain neighboring countries. It will have no alternative remaining but the recourse to force. For the moment there is no indication that the Hungarian leaders have understood the need to make changes. They even refuse to make the most elementary humanitarian gestures when it is a matter of the events of 1956. The government still does not permit the people executed between 1956 and 1961 to be decently buried by their families. It has not lifted all of the forms of discrimination affecting those sentenced for political offenses during the same period of time. On this 30th anniversary of the revolution it has brought out once again the most revolting calumnies in its propaganda. A literary magazine has just been suspended for having published a poem which could be interpreted as an allusion to 1956. One of the best known writers has just been silenced because he called the events of 1956 a "revolution" in

lectures given recently in the United States. A young artist has been threatened with being prohibited from living in Budapest for having prepared in his home an exposition of writing devoted to the memory of 1956.

However, in the last few days we have seen appear on the walls of the Budapest subway, painted in red with spray paint cans, phrases such as: "I Love 56" and "Remember 1956." As we know, these messages do not come from the veterans of the 1956 revolution but from young people who are now less than 20 years old.

Joint East Bloc Communique

Paris LE MONDE in French 22 Oct 86 p 6

[Article signed J. K.: "An Appeal by the Opposition in Four Eastern European countries." The communique, with the names of the signers, appeared in the 30 Oct 86 DAILY REPORT]

[Text] Opposition elements or dissidents from Hungary, Poland, Czechoslovakia, and the German Democratic Republic, four countries of the Soviet bloc, have signed a joint declaration on the occasion of the 30th anniversary of the Hungarian insurrection. The list of Hungarian signers includes almost all of the intellectual opposition figures known for their advocacy of a democratization of the regime or who are known as "independents." In general, the Czech signers of the declaration are members of Charter 77 or of the VONS (Committee for the Defense of Persecuted Persons). Among the East Germans we may note the signatures of several pacifists and anti-nuclear militants.

The list of Polish signers is more selective--which is not astonishing for a country where opposition movements are much more substantial. Among them may be found several of the best known intellectuals or writers, several former members of the KOR (Committee for the Defense of the Workers) and also (sometimes they are the same people) well known members or leaders of Solidarity, recently released political prisoners, or persons who formerly were in hiding and who have recently reappeared in public. However, we also note the absence not only of Lech Walesa but also members of the new, "Provisional Council" of Solidarity, even though it is made up of some of the most committed and most courageous members of the opposition. From all of the evidence this voluntary act of abstention was intended to avoid ruining definitively any hope for a dialogue between the "legal leaders" of Solidarity and the Warsaw authorities.

This is not the first time that opposition groups from several Eastern European countries have joined in a common action or manifesto. However, this appeal is of particular importance, both in terms of the number and significance of the signers and in terms of the event which led to its issuance: the anniversary of a revolt against the order imposed since World War II by the Soviet Union in all of Eastern Europe. This kind of joint initiative still arouses particularly strong irritation on the part of the leaders of the Kremlin and of the countries of the Soviet bloc. It is very probable that they will display the same attitude toward this statement which recalls the struggle for democracy and also for the "independence" of the countries of Eastern Europe.

The text of the statement reached us from both Budapest and Warsaw. It should be noted that the version of the same declaration, published on 20 October by DER SPIEGEL, the West German weekly publication, omits the reference to independence.

5170
CSO: 2900/1

POLITICS HUNGARY

NEPSZABADSAG SERIES EXPLAINING 1956, AFTERMATH

Budapest NEPSZABADSAG in Hungarian 15 Oct 86 p 5

[Editorial: "The Facts Speak for Themselves. Evidence Regarding 1956 and the Subsequent Period. A New Series in NEPSZABADSAG"]

[Text] It will be remembered that people's power in our country was in jeopardy 30 years ago. In the evening of 23 October, counterrevolutionary forces --exploiting the opportunity that the serious mistakes of past policy and the lengthy factional struggles within the party provided, by undermining confidence in the party leadership--launched an armed attack against the socialist system. White Terror reared its head for 12 days in the capital, a few other cities and certain localities.

We were soon able to put an end to the brutal violence and bloodshed, and then to the senseless strike. The revolutionary worker-peasant government and the reborn party led the country out of chaos, and restored social order. The Communists, joining forces with the nonpartisan supporters of socialism, began to eradicate the distortions everywhere, enforced Lenin's rules, and placed on the agenda the elaboration and introduction of timely reforms. The country soon recovered, enormous work unfolded, and there followed--continuing the promising postliberation starts and utilizing the gained experience--a period of prosperity unprecedented in our country's history, producing in the three decades since then results in building a socialist society that are recognized worldwide.

One might ask: If this is true--as it undeniably is--then why is it necessary to recall time and again those tragic events? We could cite as examples a long list of countries where we are being accused of suppressing any mention of 1956, countries that do not have the slightest intention of reopening the difficult chapters of their own histories. In the United States, Hungary's 23 October has been designated an American anniversary, and also this year no opportunity has been missed to recall the distorted picture fabricated from half-truths and whole lies about our 1956 tragedy, the picture which has been spread for decades. But where is there any official commemoration on the anniversaries of the American students' great protests against the Vietnam War? Or when are the victims of McCarthy's witch-hunts remembered? When will the Rosenbergs be rehabilitated? Kennedy's murder is still shrouded in mystery, with no reliable explanation of actually what happened.

Meanwhile, and on such moral grounds, we are called upon to "confess" to our own past.

On this round-numbered anniversay we are again reverting to the counter-revolution, to its antecedents, causes and lessons, also because that period has provided for us experience which is deeply imbedded in the past 30-year history of our country. It is also our duty to acquaint the younger generations with this experience, otherwise they would be unable to understand the present or to determine the future.

Five years ago, in relatively detailed reports published in chronological order, our paper summed up the events of 1956, the causes that led to them, and the facts of the period of consolidation that followed. Our "This Is What Happened" series was followed by another one ("Along Lenin's Path"), in which we attempted to sketch, in chronological order, the quarter century of development in various areas of social activity. The series that will start in tomorrow's issue will be of a different nature. It will be polemic rather than descriptive. Dwelling briefly on 1956 and in greater detail on the 30 years that followed, it will attempt to answer the objections--in part misconceptions, and in part misinterpretations--we still encounter even today in connection with the history of the period. On this occasion we wish to reply not with arguments and explanatory analyses, but with proof: facts, figures and the most important contemporary statements; in other words, with authentic, verifiable and accurate information.

Probably this mode of treatment will occasionally leave something to be desired, triggering demands to describe this or that event in greater detail. We beg our readers' understanding that space limitations do not allow a daily paper to cover comprehensively the history of the past 30 years. The aim we are able to set for ourselves on this occasion is merely to line up the facts that support our standpoint regarding several disputed (or maliciously raked up) questions, and to let the facts speak for themselves. Naturally, we could only welcome our success if those who wish to know more were induced to study and watch for the new publications and programs appearing on this anniversary, or the more comprehensive earlier publications and programs.

For our country and people, this has been a decisive period, yielding important experience and embracing many pioneering experiments. As their combined result there have emerged the conditions under which we are living today, and the achievements for whose preservation and further development we are now fighting. As we have nothing whatsoever to hide, in our opinion it is highly desirable that the public learn as much as possible about the efforts of Hungarian society, and within it of our party: also the mistakes that inevitably accompany the search for ways and means, but primarily the new perceptions that determine the principal directions of development.

1014
CSO: 2500/31

POLITICS POLAND

WALESA OFFERS OPINION ON AMNESTY

Brussels LE SOIR in French 15 Sep 86 p 1

[Interview with Lech Walesa by Pol Mathil; date and place of interview not specified]

[Text] [Question] Since the Polish minister of the interior has announced that all political prisoners will be released between now and Monday, could you all be together then, with all your friends around you?

[Answer] All together and free, that doesn't happen so often in Poland, unfortunately! What joy!

[Question] And what hope....

[Answer] Yes, but hope tinged with uncertainty. This release is only the first stage, very significant of course, but not enough....

[Question] Aren't you glad?

[Answer] Glad, yes, but worried nevertheless. Poland should no longer have any political prisoners. But that would mean that Poland would have to be a pluralistic country....

[Question] Are you suggesting that the government commit suicide?

[Answer] No, on the contrary. In order to survive, Poland does not need prisoners, but rather vast economic reform. And for such a reform to be possible and credible, a broad national consensus is needed, on one hand, and social and economic pluralism on the other, making it possible to formulate a plausible plan for the future. Without pluralism, no reform or plan is conceivable....

[Question] Then you think that there will be more political prisoners?

[Answer] We have already had four amnesties. This cycle must come to an end. Everyone must be given a chance to participate in the effort of a Poland for all Poles. Otherwise, the prisons will fill up again and another amnesty will be necessary. Precious time wasted....

[Question] In short, do you propose a return to the "21-Point Accord" signed in Gdansk 6 years ago, a notion that is plainly unacceptable to the government?

[Answer] I propose nothing at all for the present, and I don't know what is acceptable or unacceptable to the government. We have already seen the government approve quite a number of things. But I am waiting for everyone to be free. I might add, in passing, that the Gdansk accord is still legally in effect and is still of current significance.

[Question] Do you intend to call a meeting of Solidarity's National Committee, inasmuch as all members are available, having been released not only from prison but also from any illegal status?

[Answer] The term "illegal status" is not correct. Holding a meeting is a technical matter. In any case, I have been meeting regularly with all those who were available, when they became available. I intend to continue doing so.

[Question] Do you believe that a three-way conference is possible, like the Jaruzelski-Glemp-Walesa conference held prior to 13 December 1981?

[Answer] I wasn't the one who interrupted that conference, as you will recall. And times have changed. It is not a question of myself or of anyone at all in general. What counts is agreeing on a credible and acceptable plan.

[Question] LE SOIR is a Belgian and European newspaper, and Brussels is the capital of Western Europe, which has often helped the Poles. What would you like to say to Europeans?

[Answer] That we are very grateful to them, that we still need their help and their support, that we are happy when they come to Warsaw, but disappointed when they forget us during those visits....

[Question] You have asked that political prisoner status be made legal in Poland. Is this still an issue of current importance?

[Answer] It can still be useful. But I would prefer to be able to negotiate the status of a free citizen.

11915
CSO: 3619/14

REPORT OF SERBIAN EXECUTIVE COUNCIL ON KOSOVO SITUATION

Belgrade BORBA in Serbo-Croatian 16, 17, 18-19 Oct 86

[Article by Dusan Drazic]

[16 Oct 86 p 4]

[Excerpts] According to recent official data made available to delegates of the Assembly of SR Serbia, last year 2,428 Serbs and Montenegrins (2,197 Serbs and 231 Montenegrins) in Serbia proper moved from Kosovo last year. However, there are no figures on how many Serbs and Montenegrins came from Kosovo to Vojvodina and other republics, since such records are not kept. During the first 6 months of this year 1,330 Serbs and Montenegrins moved into Serbia proper, which in practical terms means that the exodus has increased once again. It is worth recalling that according to the 1981 Population Census there were 209,497 inhabitants of Serbian nationality and 27,028 inhabitants of Montenegrin nationality in Kosovo. However, that number is considerably smaller now, since over the last 5 years their number has dropped by as much as 20,456, or 8.7 percent, relative to 1981, which is when the last statistical census was taken.

It is clear, the report states, that one of the basic goals of the Albanian nationalists and separatists is being achieved. That is why halting the exodus and increasing the absolute and relative number of inhabitants of Serbian and Montenegrin nationality relative to the total population of Kosovo continues to be a task of first importance for all progressive and Yugoslav-oriented forces in SAP Kosovo, SR Serbia, and Yugoslavia.

The Enemy Is Not Quiet

In late 1985 and early 1986 two enemy organizations and one underground group were discovered, which shows that organized illegal activity of Albanian nationalists is still going on. The writing of hostile slogans, the distribution of pamphlets and fliers, and also verbal propaganda are still present throughout the province, but most of all in educational institutions. In 1985, 1,789 hostile slogans, fliers, and pamphlets were discovered in SAP Kosovo, and the figure for the first 7 months of 1986 was 789 (in 1984 it was 2,177).

Over the period January-July 1986 there were 25 reported cases of rock throwing and similar threats to rail and highway transportation; 17 fires and explosions of undetermined cause; 29 cases of sabotage and breakdowns at facilities in the economy and other public facilities; 8 cases of defacing of monuments and graves; 31 insults to the figure and work of President Tito, etc. Although the number of such acts has been decreasing, their scale is still disturbing and indicates the breadth and tenacity of hostile activity.

According to the assessment of the Republic Secretariat for Internal Affairs, over the period January-July 1986 there were 180 crimes which because of the manner of their execution and disturbing impact on the public represent direct or indirect pressure for Serbs and Montenegrins to move out. Throughout 1985 there were 159 such cases. The largest number were physical attacks--69, threats and insults 60, rapes 6, and attempted rapes 3, and there were 42 various forms of damage to property. In their brutality and disturbance of the public two cases of gang rape in Titova Mitrovica and Vucitrn, the beating of an old man and woman over age 80 in the vicinity of Podujevo, the inflicting of serious physical injury to a 15-year-old boy in Djakovica, etc., stand out particularly. Attempted rapes committed by minors of Albanian nationality, who have obviously been incited to do this in order to arouse a sense of insecurity on the part of the Serbian and Montenegrin population, have become more frequent recently.

As is well known, representatives of the highest bodies of the Federation and the republic have been familiarized through direct contact with individuals who came from Kosovo in an organized way with numerous problems and specific charges as to the unlawful actions of official bodies of SAP Kosovo, and on that occasion it was stated in public that many of those charges were well-founded and that the obligation had been assumed to study every case in detail and to take appropriate steps as soon as possible.

"Serbian nationalists in Kosovo and outside it have been and are taking advantage of the excessive slowness in changing the situation. Their aspiration is to equate the Albanian nationalists and separatists with the Albanian nationality as a whole and on that basis turn the course in resolving the problems in Kosovo in a direction that would lead to interethnic conflict and more serious disturbances in society. At the same time they are spreading a lack of confidence in the ability and willingness of our society and its authorities to solve the problems in Kosovo. As a consequence of their activity there have been individual cases of excess in which intolerance toward the Albanian nationality was publicly expressed in the form of a threat to the private property of individual Albanians," it was stated in the report of the republic executive council.

[17 Oct 86 p 4]

[Excerpt] In late May and early June "organized activity" began in the republic "to carry out the resolutions and measures of the SFRY State Presidency and the LCY Central Committee." What did the work groups, commissions, and competent republic and provincial authorities discover? A number of actions were taken, especially in the economy, in order to achieve Kosovo's more rapid

development in order to halt the further exodus of the Serbs and Montenegrins and at the same time create conditions for the return of those who want to do so. All regions in the republic, especially Belgrade, prepared a number of specific programs concerning linkage of the economy, and not only associated labor, but also publishing, cultural, and other organizations, between Serbia and Kosovo. The development plans of the country and of the republic have furnished resources whose purpose is defined strictly: to open up new factories so as to strengthen the province's economic potential on the one hand, while on the other it would create jobs for young people leaving school as well as Serbs and Montenegrins who decide to return.

This year alone Serbia's obligations for the more rapid development of SAP Kosovo amount to 26,716 billion dinars. Although burdened with its own troubles, by 31 July of this year the economy of SR Serbia had concluded 19 self-management accords and 10 annexes with associated organizations in the province. The total funds committed up to the year 1989 amount to 59,083 billion dinars. There are another 25 programs concerning joint investments, especially in agriculture, the metal manufacturing industry, the chemical and textile industries, and small business. The economy of Serbia is also interested in new joint facilities in the field of nonferrous metals, but "the authorities in Kosovo have shown little interest in joint programs in that industry."

The resolutions of the SFRY State Presidency and the Presidium of the LCY Central Committee specifically emphasized that in approach to the problem of unemployment there must be resolute and organized activity to "build a long-range population policy and oppose all prejudices concerning birth control. The problem of the very high rate of natural population growth in Kosovo is among the most important issues from the standpoint of economic development, since it represents a very significant limiting factor and one that is operative over a lengthy period of time." Up to now this problem has only been taken note of, although the economic and indeed even political consequences are far-reaching.

Now, however, there is a call for a broad social and political campaign concerning the urgent need for family planning in the population of Albanian nationality and then also specific measures to control population growth. This kind of uncontrolled population growth is immensely high even in world terms.

Law enforcement agencies continued last year and this year to perform the tasks that arise out of the conclusions of the highest bodies. Analysis of the activity of the newly discovered organizations has revealed that the Albanian chauvinists and separatists have been trying in collaboration with the extremist Albanian emigre community to have the underground activity grow into a unified movement referred to as the "popular front for a republic of Kosovo," whose ultimate goal is to create an ethnically pure Kosovo and to annex it to Albania (in the first 7 months of 1986 members of the extremist Albanian emigre community organized four anti-Yugoslav demonstrations--in Geneva, Berne, New York, and Stuttgart, with a sizable number of participants, as well as several smaller gatherings).

The breadth of the illegal activity is indicated by the figure that about 300 persons were involved in one way or another in the activity of the organizations discovered in late 1985 and early 1986 (146 persons were convicted). The most numerous group among these persons continues to be university students, secondary students, and teachers, along with those returning after serving sentences for nationalistic and irredentist activity.

A joint commission consisting of representatives of federal, republic, and provincial law enforcement agencies has also investigated the charges of individuals concerning the actions taken by authorities and officers of law enforcement agencies of SAP Kosovo. Members of the police, according to what was established, have not always behaved according to the letter of the law. The joint commission of law enforcement agencies establshed that certain officials, usually police officers, exceeded their authority, especially "in use of means of coercion" (taking people into custody and detaining them). There were also cases of outright abuse by certain supervisory personnel in police stations and police squads as well as cases in which steps were not taken toward criminal prosecution although this should have been done and was justified in view of the gravity of the abuse and the consequences.

Instead--individuals who had not respected the law and regulations, although they are paid to do so--were rewarded. Certain members of law enforcement agencies, instead of being brought to account, were transferred to other similar or better jobs(!), and indeed even to the Kosovo Provincial Secretariat for Internal Affairs. The joint commission deems that actions of this kind by certain members of the Kosovo Secretariat for Internal Affairs are one of the most serious reasons for the large-scale expression of resentment by citizens of Serbian and Montenegrin nationality, for their direct appeal to federal and republic authorities, and for the trips made to Belgrade by a sizable number of individuals and delegations.

The republic and provincial secretariats for internal affairs are planning "resolute and vigorous measures to discharge all those personnel who violated or abused their legal authority or acted detrimentally to the reputation of the service in some other manner. At the same time an analysis was also prepared on unexplained and suspicious fires and explosions." Over the period from 1981 to 1985 there were 2,977 fires recorded in SAP Kosovo (999 involving public property and 1,965 private property), with direct property damage of about 1,746 million dinars (1,275 million dinars of public property and 468 million dinars of private property). There were 369 fires, or 18.7 percent, involving the private property of Serbs and Montenegrins, with a property damage of about 37 million dinars, or 7.9 percent of the total damage to private property.

There were 527 fires, or 17.7 percent (224 involving public property and 311 involving private property, 65 of the latter involving the property of Serbs and Montenegrins), which were of undetermined origin. There were 108 cases of arson (20 involving public property, 43 involving the property of Serbs and Montenegrins, and 42 involving the property of Albanians). There were 13 fires set with hostile motives (7 involving public property, 3 committed against Serbs and Montenegrins, and 3 against the Serbian Orthodox Church).

There were 21 fires found to have been set with other motives (to conceal crimes, for revenge, property disputes, etc.).

It can be stated on the basis of the figures that setting fires to the property of Serbs and Montenegrins is one of the frequent methods of exerting pressure on them to move out. Over the same period there were 22 recorded cases of causing explosions and planting explosive devices, 14 of which were found to have been committed out of hostile motives. In three cases the explosions occurred in family dwellings of Serbs and Montenegrins.

[18-19 Oct 86 p 5]

[Excerpt] The analysis, which is the first one that has been comprehensive, sheds light on the forms and methods of organized activity of Albanian nationalists and separatists who by means of terrorism, arson, and explosions, as well as by sabotage have been destroying facilities of very great importance in order to create hysteria, uncertainty, and the impression of strong counterrevolutionary activity. It is specifically pointed out that some of these cases of sabotage occurred just before or on government holidays or days when important meetings or events took place. The goals are, of course, clear. They have shown a particular interest in the facilities of the electric power industry. Law enforcement agencies of SAP Kosovo have discovered some of the groups and individuals who have been setting fires and causing sabotage out of hostile motives. One such group was discovered in Pristina. It had been specifically organized for terrorist actions.

Relations in property law, one would say, have been a real Eldorado for pressures on Serbs and Montenegrins to leave their native place to find another home. There have been cases, and this is described fully in the report, where individuals, say, have learned that their land has been taken away only when the bulldozers began to tear it up. It is mentioned that cases of expropriation have not been directed exclusively against Serbs and Montenegrins. Or again, there is an evident disproportion between the "level of property confiscated from citizens of Serbian and Montenegrin nationality on the one hand and that of citizens of Albanian nationality on the other when a comparison is made to the ethnic composition of the population in a particular area." In Titova Mitrovica Opstina Serbs and Montenegrins were the owners in 1,291 of the 2,344 cases of expropriation. On the slopes of Brezovica land has been confiscated only from Serbs, usually without compensation. That same land was then allotted for construction of weekend cottages for 153 individuals, 13 of whom were Serbs, while the rest were Albanians. A special commission has been studying this and other cases. It has examined as many as 16,000 cases of usurpation and 7,000 cases of confiscation!

The report of the republic executive council says that Albanians have been the most frequent willful occupiers of public land, yet proceedings for compensation of loss have not been conducted in a single case. When proceedings have been conducted for recovery of public land, proceedings have been very protracted. Believe it or not, they have lasted as long as 20 years! Here again all men are not equal. In Titova Mitrovica Opstina there were 132 cases in which Serbs had taken over public land; it was taken back from all of them

except in 2 cases. On the other hand in that same opstina in 55 of the 263 cases in which the "occupiers" were Albanians their ownership of the public land was acknowledged. In any case ownership of public property has been recognized on a large scale. In Pristina Opstina alone 1,589 hectares have been "presented as a gift."

What was talked about and gossiped about has now been confirmed: in some cases public money was even used to buy land from Serbs and Montenegrins and then given to emigres from Albania. The famous case in Decani was also confirmed: that opstina and provincial authorities used their own money to buy up the farms of Serbian owners on behalf of purchasers of Albanian nationality!

Nor have other areas been spared, we might say, the large-scale failure to enforce the law on hiring (in certain work organizations irregularity would be a mild word to use, since people were hired without a ranking and on the basis of influence), and personal incomes were lower for Serbs and Montenegrins than for Albanians although they did the same work. In Prizren, for example. Things went even so far that veteran's status was given to persons who during the war were in enemy military formations (Decani Opstina). And even in the courts there have been a host of problems.

Instead of "fighting" for consistent enforcement of the law and to safeguard the equality and equal rights of all citizens, the courts have been known to lead the way in violating the law, and they have had a great deal to do in encouraging people to move away. People have come to mistrust the courts and to feel insecurity in exercising their rights and protecting their personal and property interests. Even public prosecutors' offices have been involved in this. They did not react when certain Albanian nationalists acting out in the open were released. Instead of receiving punishment, they were relieved of responsibility (cases in Titova Mitrovica and Pec). Then again the large number of cases in which proceedings were halted is significant. In Titova Mitrovica and Vucitrn alone proceedings were halted in more than 10,000 cases although the law states differently, the report of the executive council states.

Very serious and indeed even drastic cases were discovered. This is, of course, a good thing, since it is not possible to go back at this point. Even though there continues to be resistance to correction of these major mistakes and violations of basic legal and constitutional principles concerning the freedom and equality of all citizens, we believe they will be corrected: the land will be restored, fair compensation will be paid, the policemen will be subject to criminal prosecution, every fire will be successfully investigated, and so on.

Gradually there have been corrections of the injustices. However, the process of differentiation, which is not exactly insignificant, somehow cannot get started; more accurately, steps are not taken to establish specific responsibility on the part of all individuals who unlawfully and maliciously frustrated the exercise of constitutional and legal principles concerning the freedom and rights of citizens of all nationalities. This differentiation

must be consistent and rigorous from the school all the way up to the Academy of Sciences, from the local community to provincial forums, as was promised in April 1986, when the measures of the two state presidencies were announced and one would have said adopted by acclamation. Now this needs to be proven in practice, not with mere statements and speeches.

7045
CSO: 2800/36

SOCIOLOGY ROMANIA

STUDY OF JUVENILE CRIMES AIMS AT PREVENTION

Bucharest VIITORUL SOCIAL in Romanian Jul-Aug 86 pp 331-337

[Article by Iustin Stanea: "The Prevention of Juvenile Delinquency"]

[Text] Subsumed within the general problems of the younger generation, the etiology and prevention of juvenile delinquency constitute an important part of and are subordinate to the etiology and prevention of crime in general.

We find the profound humanism of our penal policy in the principle according to which the /prevention/ [in italics] of infractions and other antisocial acts must be put first and foremost. We also find it in the consistent concern for the elimination of all forms of abuse, ensuring that no one can be punished unjustly. At the same time, however, the action of preventing and combating antisocial acts is conceived in such a way "that no one can shirk responsibility if he prejudices the people's interests, our socialist homeland's interests." (Footnote 1) (Nicolae Ceausescu, "Raport la cel de-al XIII-lea Congres al Partidului Comunist Roman" [A Report to the 13th Congress of the Romanian Communist Party], Bucharest, Politica Publishing House, 1984, p 48) It thus follows that the activity of preventing and discovering infractions and punishing the perpetrators of them represents an indissoluble unity.

To substantiate the preventive actions, we did complex sociological research on a population consisting of minors and young people who committed extremely serious criminal acts as a result of which, on the basis of Article 3 of State Council Decree No 218 of 12 June 1977 (which became Law No 47/1977), they were confined in the special work and reeducation schools of the Ministry of the Interior.

The general hypothesis from which we began is the following: In proportion as there is a more pronounced interaction and interconditioning of the contradictions and dysfunctionalities that appear on the planes of the macrosocial, the middle-range social, the microsocial, and the individual, the risk of juvenile delinquency increases.

Subsidiary to this, another hypothesis starts from the fact that in proportion as the structural and functional deficiencies characteristic of the human microgroups involved in criminogenesis and in the prevention of juvenile

delinquency are more marked in relation to the axiological and normative model of our socialist society, the possibility of juvenile delinquency increases.

The research indicated the existence of psychological or pathological deficiencies regarding simple emotivity, depressive, hypochondriac, schizoid, impulsive, epileptic, and antisocial tendencies in the subjects examined, generated or conditioned by social, historical, and microgroup-milieu factors, such as the influence of affective traumatisms, of repeated conflicts, and of a living climate characterized by insecurity, and deficiencies in the educational and pedagogical styles that were used in relation to them by some members of the membership microgroups.

The correlations made between the above-mentioned deficiencies and the types of infractions committed indicated that in the case of active perpetrators of rapes the level of these deficiencies is lower, in all situations, than the level of those of offenders who committed homicides, robberies, and thefts, which underscores that the former criminal acts can be explained particularly from the angle of the negative situational conditions maintained by group psychology and by the mental state following the consumption of alcohol and not through preexisting tendencies to violate the norms that protect the person and her physical and moral integrity.

From the data existing at the Ministry of the Interior it results that in our country, from 1976 to 1982, the number of minors receiving final sentences fell 22 percent, and the percentage of minor participants in the commission of infractions, except in 1979, was below the percentage represented by persons between 14-18 years of age in the population of the country.

The analysis of the structure of the infractions indicates the fact that in the majority of the cases the norms that protect property are violated. From a viewpoint of the dynamics there is a rise in the number of infractions characterized as "extremely serious." However, we are inclined to believe that the indicated rise is due not only to the increase in juvenile delinquency of this nature but, in particular, to the increase in the firmness of the judicial bodies, which, especially in recent years, have ordered to a greater degree the confinement of minor offenders in a special reeducation school of the Ministry of the Interior.

According to area of origin, 60.9 percent of the population examined was urban and 39.1 percent was rural, and according to area of residence, 63.9 percent was from the urban area and 35.4 percent was from the rural area. The data indicate the relatively low number of minors coming from the rural area who committed infractions in the urban area.

The majority of the infractions (78.8 percent) to which we are referring were committed in a group (theft and rape, in particular).

In view of the special role that knowledge of the realities that relate to juvenile delinquency has in organizing and performing efficient preventive activity, we sought to distinguish some characteristic aspects on the basis of which the priorities of action could be structured.

First, we note that at the time of the commission of infractions the subjects examined had the following occupational situation: 17.2 percent were pupils, 26.4 percent were employed in industry or agriculture, and 56.4 percent did not have any occupation of a permanent nature.

The correlations made between different variables indicated interesting aspects for the preventive work. On the basis of them we drew the sociodemographic "composite sketches" of the subjects.

Using the procedure of scaling, we studied on the basis of three factors the statistical distribution according to counties of the minors included in the research: the percentage of confined minors in the county in relation to the percentage of the county's population in the country's population; the deviation of the mean of the inmates in the county--coming from the urban area--from the general mean according to counties of the population of inmates coming from this social milieu; and the deviation of the mean of the inmates in the county--coming from the rural area--from the general mean according to counties of the population of inmates coming from the rural area. Finally, we obtained a ranking of the counties according to 15 levels, which can constitute the starting point in establishing the priorities and main directions of the aspect toward which the preventive activity must be oriented. For example, Bacau, Iasi, Neamt, and Bihor Counties should get priority from the guidance, support, and control personnel with powers in crime prevention, since they have all three indicators positioned in such a way that they show high juvenile delinquency in comparison with other counties of the country. Or, in Maramures County, the main direction of action should be the prevention of delinquency in the urban area, where the mean of the offenders is far above the general mean, without neglecting, of course, the rural area either.

The situation of the inmates in relation to age at the time of committing the act and to area of origin indicates that at 14 years of age most come from the urban periphery (56.6 percent) and at 15 years of age most come from the urban center (39.5 percent), while a leveling of the percentages for the rural area, the urban center, and the urban periphery occurs for the other age groups.

The spatial location of the types of infractions also had some interesting aspects: The most homicides occurred in the rural area and the most thefts and robberies in the urban area, also favored by the particular conditions there--crowding, the greater negative influence of the deviant microgroups (64 percent of the infractions in the urban area were committed under conditions of criminal participation, as compared with 48 percent in the rural area), etc.

Analyzing the impact of deficiencies in socialization and psychological integration on juvenile delinquency, also arising as a result of the structural and functional deficiencies of the microstructural socialization agents, some characteristics of the normative and value orientations of the inmates were noted in a comparative treatment with those found by Nicolae Croitoru in the sample included in the research (Footnote 2) (Nicolae Croitoru, "Tineretul si valorile moral-politice" [Young People and Moral and Political Values], Bucharest, Politica Publishing House, 1981), which we took as a control group. The values to be related were: happiness in the family and marriage; health; high

posts (positions); money and material well-being; satisfaction in work; a quiet life without upsets; interpersonal relations based on honesty, trust, and friendship; and the volume of general and professional knowledge. Grouping these values within the three types of tendencies worked out by Nicolae Croitoru--preponderantly egocentric, preponderantly sociocentric, and strongly egocentric--the following conclusions were drawn: In our sample the strongly egocentric tendencies are far higher (16.4 percent, as compared with 6.4 percent in the control group). The fact that within them the value representing money and material well-being is four times higher than in the control group could explain, at least partly, the commission of the infractions of robbery and theft; the shifting of the value represented by interpersonal relations based on honesty, trust, and friendship from third place in the control group to sixth place in our sample seems to us indicative of the aggressive behavior of the inmates who committed homicides and robberies. This same idea is also suggested to us by the fact that 14.9 percent of the subjects examined regard as lacking in any importance the implications of their acts for those hurt by the infraction; the volume of general and professional knowledge occupies last place in the hierarchy of values, which can explain why, for many of the inmates, the level of schooling lags behind their age.

Knowledge of the types of small social groups can furnish the elements needed for adopting the measures for preventing and combating infractions and other antisocial acts, either through activities directed toward the structural and functional reinforcement of those with a positive socialization role or through actions meant to limit their effects to those with a negative role. For example, action will be taken in one way toward a well-organized group of minor offenders that has existed for a long time--a case in which, from the outset, there must be energetic measures of intervention to disband it and disperse its members--and in another way toward the nearby juvenile groups without infractional concerns.

The size of the group is of particular importance for its existence and operation. The research indicated that the size of preinfractional or infractional groups can influence the transition to the commission of criminal acts by minors, especially if among them there are members with "experience" or "experts," as some of the subjects examined mentioned in their autobiographies. Thus, it resulted that the probability of committing the infraction of rape rises along with the growth of the number of members in the infractional group (17.6 percent of such acts were committed by a single person, while the percentages rose to 35.2 percent when there were two or three participants and to 54.5 percent when this figure exceeded three).

Analyzing the formal structure, the informal structure, and the relationships between them, it resulted that the first type is fundamental for the proper functioning of society and that it has a number of positive aspects concerning socialization and value orientation: It offers the feeling of security and provides the possibility of full affirmation of the human being; the system of rights and obligations that it presupposes is a criterion for orienting persons; it cultivates practical habits, reducing stress, and the sociability and social responsibility of the human being. The negative effects of the formal structure can derive from "professional psychosis," understood as intense

mental feelings coming from constant pressure on the person from the bureaucratic structure. Another negative effect can be caused by "the inertia of social perception," which can be understood from the analysis of the following case: A young man has improper attitudes at work--he is absent, he exhibits verbal aggressiveness in work relations, he does not take care of the enterprise's property, etc. and he comes to commit an infraction in a group, for which he is confined in a special reeducation school. After the execution of the penalty, he is reemployed at his former workplace. At least in the initial period the work staff will have the tendency to perceive him and to judge his current behavior from the angle of his earlier behavior and not according to the current value of the behavior exhibited, which can cause the young man to seek out and associate with the former members of the infractional group. Other aspects that refer to the formal structure can also have negative influences: the frequent correcting of him, unfair treatment by persons who hold positions of authority and power, etc. The informal structure comes from the sociability of the human being. In context, we mention just the fact that the informal structure often represents the valve for repression of the states of tension appearing within the formal relations.

The nonadaptation of minors and young people within either the formal structure or the informal structure of the membership groups with a positive socialization role can be symptomatic of future infractional behavior.

Defining the level of aspirations, the status of a member of a juvenile infractional group can lead to the intensification of the efforts to become an expert in the commission of infractions (for example, picking pockets) in order to gain the prestige of the membership group. The study also indicated that there is the tendency of grouping of minors with poor results in school, dropouts, with broken or stigmatized families. Acquiring the status of a member in an infractional group entails the pressure of negative models, which, not infrequently, are then imitated. Negative effects on the plane of deviant and delinquent behavioral influences also result from the socio-occupational and school-instruction statuses of the minors and the members of the membership groups and from the overloading of persons with statuses in different microstructures.

The role's impact on juvenile delinquency can be viewed from many angles: In relation to the activity proposed in infractional groups--as followed from the research--roles are assigned, assumed, and played, taking into account the individual characteristics of the subjects and the concrete situational aspects. The commission of an infraction of burglary, which requires passage through a narrow window, can be done less easily by a fat group member and, as a result, the role is assigned to another person who can perform the task; role playing, especially in the ideal manner, by relating to the membership group's values and norms, represents a way of utilizing personal attributes and gaining "prestige." It becomes a model for the other members, thus widening the moral gulf that separates the respective group from the rest of society.

Inter- and intra-status-role conflicts also put their imprint on the phenomenon to which we are referring, along with, of course, the personality structure. Among other things, the following are involved: the possible conflicts

between the structure of the personality of the minors and the behavior that they must exhibit by virtue of the statuses held and the roles, which can generate negative mental states that favor aggressive behavior; the overloading of status-roles; the incompatibilities between the status-roles and the mental attributes of the subjects; the simultaneous holding, in the social microstructures, of statuses that require conflicting attitudes and behaviors; and "marginalization," characterized by a minor person either not belonging to any of the groups under discussion or not being sure of membership in them.

Careful research on communication in small groups also furnishes useful elements for the preventive work. Knowledge of the communication's content and of the communication channels and networks, whether in small groups with a positive socialization role or in infractional groups, has such a role. The existence of a well-established system of communication among the members of a delinquent group represents a sign of superior organization and high cohesion and solidarity. Our study indicated that 25 percent of the subjects examined who committed infractions under conditions of criminal participation had precisely established methods of communication among them, from specific whistles and style of clothing and hair to specific symbols.

The process of formation of the infractional group's norms occurs under the influence of three factors: the social milieu, the cultural milieu, and the mental activity specific to each member. At the basis of this process is the existence of similar attitudes of the group's members toward the same reference object. For example, the attitude of aversion by minors toward their own families, caused by the social micromilieu perceived as hostile. The next step is the communication of the respective attitudes among the members, who, being in the same situation, give their agreement on them, an agreement that they all recognize. The first stage is called the "consensus," and the second is called "the sharing of the consensus." Each stage presented can be of relative interest for locating in time the measures for preventing juvenile delinquency. It would be ideal for the preventive intervention to occur before the formation and reinforcement of the norms of a negative value orientation.

Regarding the functional and dynamic aspects of social microstructures and their role in the etiology and prevention of juvenile delinquency, the research permitted the following conclusions:

Social facilitation was encountered in its positive sense in the small membership groups of the subjects examined which had a normative and value orientation corresponding to the model offered by our society and in its negative sense in the deviant groups. Referring to negative social facilitation, we have in mind, among other things, the following: the diminution of the sense of responsibility and risk in committing the act and the growth of the confidence in their own powers among those who acted in a group; the alleviation of the appearance of the infraction's subjective aspect, with its two factors--infractional consciousness and will; the growth of the material, financial, and human resources put at the disposal of the infractional intent in proportion to the growth of the size of the groups; the perception, practicing, and subsequent use of a modus operandi seen in other members with "experience"; the role of the instigator, often a person with a criminal history (the

subjects examined stated that in the case of 40.4 percent of the groups that committed rapes, 51.6 percent of those that committed robberies, and 74.3 percent of those that committed thefts, members with criminal histories were present) who, in no few cases, instigated the commission of the infractions;

Social inhibition is the opposite of social facilitation. Social facilitation is directly proportional to conformity and group cohesion and solidarity, while social inhibition is inversely proportional.

Also tackling the problems of conformity and deviant behavior in social microgroups, we distinguished a few variants of the types of acceptance and observance of the provisions of the group norms or of rejection of them. A discussion of these problems is also of interest from the perspective of the hypotheses of R.K. Merton, who makes an important contribution to the development of the theory of anomie. (Footnote 3) (See: Ion Iordachel, "Teorii sociologice contemporane" [Contemporary Sociological Theories], a course at the Stefan Gheorghiu Academy, Bucharest, 1970, pp 415-422)

The study made indicated that, taken individually, none of the factors analyzed can fully explain the evolution, structure, and dynamics of juvenile delinquency and that constant efforts must be made in order to see what the configuration of all of them is in causing antisocial behavior. From this are drawn the conclusion of the complex character of the preventive activities and the necessity of combining the efforts of all the educational factors. In the light of these considerations, there must be, on the one hand, improvements on a horizontal plane, which would secure the blending of the efforts of the microstructural factors and the optimization of the individual ones, and, on the other hand, the integration of them on a vertical plane, involving all the levels analyzed--macrosocial, middle, microsocial, and individual.

Antisocial phenomena, on a wider plane, and juvenile delinquency, on a narrower one, require interdisciplinary approaches to which sociologists, jurists, psychologists, psychiatrists, physicians, etc. would make their contribution.

In order to be able to keep track of the structure and dynamics of juvenile delinquency over a long period of time, which would permit the drawing of proper conclusions on the basis of which the entire activity of preventing and combating it would be oriented, we believe that it is necessary to institute a unitary system of indicators much broader than the one existing at present.

We feel that the research done (only a few aspects were covered in the present article) demonstrates the possibility of knowing the causality and conditioning of juvenile delinquency in our country, and on the basis of such studies it is possible to substantiate new measures for preventing antisocial behavior among young people, thus securing the implementation of the humanistic policy of our party and state.

12105
CSO: 2700/8

END